

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you should consult an appropriate independent financial adviser. If you have sold or otherwise transferred all your Ordinary Shares in Harbour Energy plc, you should forward this document and the accompanying form of proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Harbour Energy plc

## Letter from the Chairman and Notice of Annual General Meeting

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17 May 2021

Dear Shareholder,

I am pleased to be writing to you as the Chairman of Harbour Energy plc (the 'Company' or 'Harbour'), a company formed on 31 March 2021 following the merger of Premier Oil plc and Chrysaor Holdings Limited (the 'Merger'), creating the largest UK listed independent oil and gas company. The Board is excited about the potential for Harbour, enabled by the Company's high quality asset base, financial flexibility and capacity to consider a wide range of growth opportunities. Led by an experienced leadership team and a new Board of Directors, we believe Harbour is well-positioned for the future.

You will find the notice of the Annual General Meeting (the 'AGM' or the 'Meeting') of the Company, to be held at 23 Lower Belgrave Street, London, SW1W 0NR at 3:00pm on 23 June 2021 (the 'Meeting'), set out on pages 10 and 11 of this document (the 'Notice').

### **AGM attendance**

Our preference had been to welcome shareholders in person to our 2021 AGM, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. The Board has considered carefully what arrangements should be made for the AGM in light of the current COVID-19 legislation and public health guidance issued by the UK Government which currently restricts, amongst other things, public gatherings and travel. At the time of publication of this Notice, it was not possible for the Board to predict with certainty what, if any, Government restrictions on public meetings would be in place on the date scheduled for the AGM. The Board believes that, notwithstanding the current plan for the relaxation of Government restrictions on the holding of events, a cautious approach to situations that appear to carry a higher COVID-19 transmission risk (particularly indoor events) will remain necessary for some time to come. **Accordingly, while the Board will hold the 2021 AGM at 23 Lower Belgrave Street, London, SW1W 0NR, shareholders and corporate representatives are strongly encouraged not to attend the AGM in person but instead be represented by the Chair of the AGM acting as their proxy. Further details regarding how to vote by proxy are set out below.**

At the AGM, the Company will conduct the necessary AGM business, principally putting the resolutions to shareholders and calling a poll. For safety reasons, a bare minimum of Directors and staff will attend so as to ensure that the meeting is quorate. There will be no presentations on the Company's business and no refreshments will be available. Instead, the Board has arranged for a presentation to be made available on the Company's website at [www.harbourenergy.com](http://www.harbourenergy.com) on the morning of 23 June.

### **Voting at the AGM**

**We strongly encourage all shareholders to exercise their vote by appointing the Chair of the Meeting (rather than a named individual) as their proxy and providing voting instructions in advance of the AGM, in accordance with the instructions explained in the Notes attached to the Notice of AGM which appear on pages 12 and 13 of this document.**

All Resolutions will be decided on a poll to be called by the Chair of the Meeting. This reflects current best practice and ensures that shareholders who have appointed the Chair of the Meeting as their proxy have their votes fully taken into account. The results will be published on the Company's website and will be released to the London Stock Exchange as soon as practicable following the conclusion of the Meeting.

### **Questions**

We understand that the AGM is an opportunity for shareholders to ask questions of the Board in relation to the business of the AGM and the Company's operations. We are keen to ensure that this dialogue continues, even though we face challenging external circumstances. In view of the Board's guidance outlined above regarding attendance at the AGM, the Company will be accepting questions for the AGM via email ([Investor.Relations@harbourenergy.com](mailto:Investor.Relations@harbourenergy.com)) or, alternatively, we would be happy to receive written questions by post sent to our Registrar, Link Group. The Company reserves the right to summarise and/or aggregate questions of a similar nature and responses given will be in relation to the business of the AGM only. Any questions to be put to the AGM should be submitted by the close of business on 21 June 2021 and the Company will publish a summary of responses within the 'Investors' section of its website following the AGM.

### **ORDINARY RESOLUTIONS**

At this year's Meeting there are 24 resolutions which shareholders are asked to approve. Resolutions 1 to 20 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 21 to 24 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

#### **Resolution 1: 2020 Annual Report**

The Companies Act 2006 (the 'Act') requires the Directors of a public company to lay before the company in general meeting the annual report and accounts of the company for each financial year. The Directors ask that shareholders receive the Company's Annual Report and Financial Statements for the year ended 31 December 2020 (the 'Annual Report'), including the Strategic Report, the Directors' Report and the Auditors' Report. The Annual Report was approved by the Board of Premier Oil plc on 17 March 2021 prior to completion of the Merger.

#### **Resolution 2: Annual Statement by the Chair of the Remuneration Committee and the Annual Report on Remuneration**

Resolution 2 seeks shareholder approval for the Annual Statement by the Chair of the Remuneration Committee, and the Annual Report on Remuneration (other than the part containing the Directors' remuneration policy) which can be found on pages 81 to 83, and 94 to 107 (inclusive) respectively of the Annual Report. Both the Statement and the Report relate to the implementation of the Premier Oil plc Remuneration Policy as approved by shareholders on 25 June 2020.

The Annual Report on Remuneration sets out payments made to Directors of Premier Oil plc during 2020. The vote on Resolution 2 is an advisory vote and any entitlement of a Director to remuneration is not conditional on Resolution 2 being passed.

The Company's Auditor during the year, Ernst & Young LLP ('EY'), has audited those parts of the Annual Report on Remuneration that are required to be audited and their report may be found on pages 111 to 122 (inclusive) of the Annual Report.

### **Resolution 3: Directors' Remuneration Policy**

The current Directors' Remuneration Policy (the 'Policy') is set out on pages 84 to 93 of the Annual Report. The Act provides that companies must put their Remuneration Policy to a shareholder vote at least every three financial years. The Company's Policy was last approved by shareholders at the 2020 AGM; however, the Company proposes introducing a new Directors' Remuneration Policy (the '**New Policy**') and seeks shareholder approval for the New Policy under Resolution 3. The New Policy is set out at Appendix 3 of this Notice and is accompanied by a Letter from the Chair of the Remuneration Committee at Appendix 2.

The New Policy aligns with the strategy, culture and values of the Company, and is consistent with the best practices expected of a publicly listed UK company. A consultation with shareholders representing approximately 80 per cent of the shares in issue has been carried out and the Company is pleased with the level of support received. Pay levels have been set to recognise the size of our new company, the experience and quality of the Company's executives and the global nature of the talent market for oil and gas companies.

If approved, the New Policy will be effective from the conclusion of the Meeting. If the New Policy is not approved at the Meeting, the Company will, to the extent permitted by the Act, continue to make payments to Directors in accordance with the Policy approved in 2020, a copy of which can be found on the Company's website [www.harbourenergy.com](http://www.harbourenergy.com).

### **Resolution 4: Amendments to Incentive Plans**

The Board is seeking the approval of shareholders for amendments to the Harbour Energy 2017 Long Term Incentive Plan (the '2017 LTIP') to reflect the proposed Remuneration Policy and to ensure compliance with the UK Corporate Governance Code (the 'Code') and current market practice. The effect of the proposed amendments to the 2017 LTIP will be as follows:

- An increase to the individual limit for grants of Performance Share Awards to 300 per cent of salary (from 200 per cent), in accordance with the proposed new Directors' Remuneration Policy; and
- Authorising the Remuneration Committee to exercise discretion to adjust the vesting outcomes of awards under the 2017 LTIP in the event that these are not considered reflective of the underlying business performance and/or wider circumstances over the vesting period.

### **Resolutions 5 to 15: Election or re-election of Directors**

The Company's Articles of Association require all Directors to be subject to election by shareholders at the first annual general meeting following their appointment and for re-election by shareholders at least every three years. However, the Code recommends that all Directors stand for annual re-election or election by shareholders. Accordingly, in compliance with the relevant provisions of the Code, all Directors will submit themselves for election or re-election (as applicable) by shareholders.

The Company's Board of Directors was changed upon completion of the Merger on 31 March 2021. On that date, all of the then Directors of the Company other than Anne Marie Cannon stepped down from the Board. Two Executive Directors were appointed – Linda Z. Cook and Phil Kirk – and six Non-Executive Directors joined the Board, R. Blair Thomas, Simon Henry, G. Steven Farris, Alan Ferguson, Andy Hopwood and Anne Stevens. Since 31 March 2021, Alexander Krane has been appointed as an Executive Director and Margareth Øvrum has joined the Board as a Non-Executive Director. All the individuals listed in this paragraph are therefore proposed by the Directors for election by shareholders at the Meeting and Anne Marie Cannon is proposed by the Directors for re-election. Biographical details of all Directors standing for election or re-election are set out on pages 6 to 9 of this document.

The Board considers that all of the Non-Executive Directors standing for election or re-election are independent for the purposes of the Code other than R. Blair Thomas and G. Steven Farris who, as described in the Prospectus issued in connection with the Merger, are representatives of the Company's largest shareholder and are not considered to be independent for the purposes of the Code. The Board considers that each of the Directors standing for election or re-election is appropriately skilled and experienced, continues to make an effective and valuable contribution to the Company and demonstrates commitment to their role. Accordingly, the Board unanimously recommends the election or re-election (as applicable) of each of the Directors listed in Resolutions 5 to 15.

### **Resolution 16: Re-appointment of the Auditor**

UK company legislation requires that shareholders re-appoint the external auditor at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. On 22 April 2021, the Company announced its intention to re-appoint EY subject to approval by shareholders at the AGM. This followed a competitive tender process between the incumbent external auditors for Chrysaor Holdings Limited and Premier Oil plc prior to the Merger. The Audit and Risk Committee agreed to a more limited tender due to the Merger and the tight timetable to the 2021 Half Year Results. The appointment will be effective for up to five years at which point the Company will run a full competitive tender process. The tender was actively overseen by the Audit and Risk Committee and resulted in a recommendation which was approved by the Board.

### **Resolution 17: Auditors' Remuneration**

If authorised by shareholders, the Directors may set the remuneration payable to the external auditor and Resolution 17 proposes the renewal of the current authority to do so. The Board has delegated this authority to the Audit and Risk Committee. Details of the remuneration paid to the external auditor during the year ended 31 December 2020 may be found in the Annual Report.

### **Resolution 18: Political Donations**

The Company's policy is not to make political donations or to incur political expenditure; however, the definitions of these terms under the Act are very wide. For example, bodies such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be included in these definitions. The Company therefore wishes to ensure that neither it nor its subsidiaries inadvertently contravene the Act through the undertaking of routine activities which would not normally be considered to result in the making of political donations or political expenditure being incurred. The Board is therefore seeking authority, under sections 366 and 367 of the Act, to fund donations or incur expenditure up to an aggregate limit of £50,000 per annum as set out in the Resolution. Any political donation made or political expenditure incurred which is in excess of £2,000 will be disclosed in the Company's Annual Report for 2021, as required by the Act.

**Resolution 19: Share consolidation**

As a result of the Merger the Company has a very large number of ordinary shares of 0.0001 pence each (the 'Existing Ordinary Shares') in issue. The Directors are therefore proposing to consolidate the Company's existing share capital on the basis described below (the 'Share Consolidation') into new ordinary shares of 0.002 pence each (the 'New Ordinary Shares') with the intention that, following such consolidation, the number of shares in issue and the likely share price will be more appropriate for a company of Harbour's size in the UK market.

The effect of the Share Consolidation will be that shareholders on the Company's register of members at 6:00pm on 24 June 2021 (the 'Share Consolidation Record Date') will, on the implementation of the Share Consolidation hold:

**1 NEW ORDINARY SHARE OF 0.002 PENCE EACH  
FOR EVERY 20 EXISTING ORDINARY SHARES OF 0.0001 PENCE EACH**

and in that proportion for any other number of Existing Ordinary Shares then held.

If a shareholding is not exactly divisible by 20, the Share Consolidation will generate an entitlement to a fraction of a New Ordinary Share. Any fractional entitlements arising on the Share Consolidation will be consolidated and sold in the market for the benefit of the Company with the proceeds donated to a charity of the Company's election. The value of any shareholder's fractional entitlement will not exceed the value of one New Ordinary Share. If you currently hold fewer than 20 Existing Ordinary Shares but would like to retain a shareholding in the Company after the Share Consolidation, you may choose to purchase additional Existing Ordinary Shares so that you hold at least 20 Existing Ordinary Shares at the Share Consolidation Record Date.

Each shareholder's proportionate interest in the Company's issued ordinary share capital will remain unchanged as a result of the Share Consolidation, except as affected by fractional entitlements. However, if you hold fewer than 20 Existing Ordinary Shares at the Share Consolidation Record Date, you will not receive any New Ordinary Shares.

Aside from the change in nominal value, each New Ordinary Share will have the same rights (including voting and dividend rights and rights on a return of capital) and will be subject to the same restrictions as each Existing Ordinary Share prior to the Share Consolidation, and as are set out in the Articles of Association. The Share Consolidation will not affect the Company's net assets, nor the net assets of the Company's group.

Requests will be made to the Financial Conduct Authority for the New Ordinary Shares to be admitted to the Premium segment of the Official List and to the London Stock Exchange and for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

The current ISIN in relation to the Existing Ordinary Shares will be disabled in CREST after 6:00pm on 24 June 2021. A new ISIN (GB00BMBVGQ36) in relation to the New Ordinary Shares will come into effect at 8:00am on 25 June 2021.

New share certificates in respect of the New Ordinary Shares will be issued within 10 business days following the Share Consolidation and will be posted to those shareholders who, on the Share Consolidation Record Date, hold their Existing Ordinary Shares in certificated form. These will replace existing share certificates which should then be destroyed. Pending the receipt of new certificates, the transfer of New Ordinary Shares in certificated form will be certified against the register of members of the Company. Further details regarding the Share Consolidation, including a list of frequently asked questions, are available on the Company's website: [www.harbourenergy.com](http://www.harbourenergy.com).

All Existing Ordinary Shares standing to the credit of CREST accounts are expected to be consolidated into New Ordinary Shares at 8:00am on 25 June 2021.

Resolution 19 must be passed in order for the Share Consolidation to proceed.

**Resolution 20: General authority to allot shares**

Resolution 20 seeks authority for the Board to allot, or grant rights to subscribe for or convert securities into, a limited number of shares in the Company. Section 551 of the Act requires such authority to be granted by the Company in a general meeting so that any allotment of shares or grant of rights to subscribe for or convert securities into shares is not exercised at the sole discretion of the Directors. The Resolution specifies the maximum nominal amount of shares which can be allotted or rights granted. Guidance published by the Investment Association in 2016 states that its members will regard as routine an authority to allot up to two-thirds of existing issued share capital, provided that any amount in excess of one-third of existing issued shares be applied to fully pre-emptive rights issues only. The Board considers it appropriate to follow this guidance.

Part a) of this Resolution therefore authorises the Directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into shares up to an aggregate nominal amount equal to £6,170 (representing 6,170,000,000 Ordinary Shares of 0.0001 pence each), or – if Resolution 19 is passed – 308,500,000 New Ordinary Shares of 0.002 pence each. This amount represents approximately one-third of the issued Ordinary share capital (excluding treasury shares) of the Company.

Part b) of this Resolution authorises the Directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into shares in connection with a rights issue in favour of Ordinary shareholders up to an aggregate nominal amount equal to £12,340, less the nominal amount of any shares issued under part a) of the Resolution. This amount represents approximately two-thirds of the issued Ordinary share capital (excluding treasury shares) of the Company.

The figure used for the nominal amount of issued Ordinary share capital of the Company is based on the Ordinary share capital in issue as at 17 May 2021, the latest practicable date prior to the date of this document (the 'Latest Practicable Date'). As at 17 May 2021, no Ordinary Shares are held by the Company in treasury. Except in connection with existing arrangements to issue Ordinary Shares (to satisfy options and awards under the Company's option and incentive schemes and one-off incentive arrangements), the Directors have no present intention to exercise either of the authorities sought under this Resolution but would like the flexibility to do so in appropriate circumstances. The authorities renew the existing general share allotment authorities given at the General Meeting on 12 January 2021 and are in addition to the special share allotment authorities granted in 2017 in connection with the Company's refinancing. These authorities shall last until the conclusion of the Annual General Meeting of the Company to be held in 2022 or on 22 September 2022, whichever is the sooner.

## **SPECIAL RESOLUTIONS**

### **Resolutions 21 and 22: General disapplication of pre-emption rights and specific disapplication of pre-emption rights in connection with an acquisition or specified capital investment**

If a company proposes to allot Ordinary Shares or other 'equity securities' (including by way of sale of any shares which the Company has purchased and has elected to hold as treasury shares) wholly for cash, it has a statutory obligation (subject to certain exemptions) to offer those shares to holders of similar shares in proportion to their existing holdings. Resolutions 21 and 22 seek to disapply this statutory right of first refusal to a limited extent to give the Directors the power to allot Ordinary Shares (or sell any Ordinary Shares which the Company holds in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. The Directors have no present intention to exercise either of the authorities sought under these Resolutions but would like the flexibility to do so in appropriate circumstances. The powers under Resolutions 21 and 22 shall last until the conclusion of the Annual General Meeting of the Company to be held in 2022 or until the close of business on 22 September 2022, whichever is the sooner.

Part a) of Resolution 21 provides the Directors with flexibility to deal with practical issues such as fractional entitlements and securities law restrictions in overseas jurisdictions when making an offer that is otherwise pre-emptive, and would apply to any allotment of shares under Resolution 20. Part b) of Resolution 21 contains a broader general disapplication of pre-emption rights up to an aggregate nominal amount of £925 (representing 925,000,000 Ordinary Shares of 0.0001 pence each, or – if Resolution 19 is passed – 46,250,000 New Ordinary Shares of 0.002 pence each). This aggregate nominal amount represents approximately 5 per cent of the issued Ordinary share capital of the Company (excluding treasury shares) as at 17 May 2021, the Latest Practicable Date prior to the date of this document.

In accordance with the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period, the Directors also confirm their intention that no more than 7.5 per cent of the issued Ordinary share capital (excluding treasury shares) will be issued for cash on a non-pre-emptive basis, pursuant to sub-paragraph b) of Resolution 21 and equivalent authorities in other years during any rolling three-year period, without prior consultation with shareholders.

Resolution 22 is intended to give the Company flexibility to make non-pre-emptive issues of Ordinary Shares in connection with acquisitions and other capital investments as contemplated by the Pre-Emption Group's Statement of Principles. The power under Resolution 22 is in addition to the power set out in Resolution 21 and would be limited to allotments or sales of up to an aggregate nominal amount of £925 (representing 925,000,000 Ordinary Shares of 0.0001 pence each or – if Resolution 19 is passed – 46,250,000 New Ordinary Shares of 0.002 pence each). This aggregate nominal amount represents an additional 5 per cent of the issued Ordinary share capital of the Company (excluding treasury shares) as at 17 May 2021.

### **Resolution 23: Adoption of new Articles of Association**

The Company's existing Articles of Association (the '**Existing Articles**') were adopted by shareholders in 2010 with a minor amendment to borrowing powers approved by shareholders in 2016. Under Resolution 23, the Company is proposing to adopt new Articles of Association (the '**New Articles**') in substitution for, and to the exclusion of, the Existing Articles to incorporate current best practice and to update the provisions dealing with borrowing limits and Directors' fees to reflect the enlarged size of the Company and the Board following the Merger. The material changes introduced by the New Articles are summarised in Appendix 1 to this document. Other changes which are of a minor, technical or clarifying nature, the result of drafting improvements or which have been made to remove provisions in the Existing Articles which duplicate English company law are not included in Appendix 1.

A copy of the Existing Articles, the proposed New Articles and the proposed New Articles marked to show all the changes will be available for inspection during normal business hours (excluding Saturdays, Sundays and bank holidays) at the Company's registered office and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY from the date of this document until the close of the AGM and on the Company's website. These documents will also be available for inspection at the AGM at least 15 minutes prior to the start of the meeting and up until the close of the meeting.

### **Resolution 24: Notice period for general meetings other than the Annual General Meeting**

Under the Companies (Shareholders' Rights) Regulations 2009, the notice period for general meetings has to be not less than 21 clear days unless shareholders approve a shorter period, which cannot be less than 14 clear days. Resolution 24 therefore seeks to renew the authority granted at the last Annual General Meeting allowing the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice provided that a means of electronic voting is made available to all shareholders for that meeting. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. Annual General Meetings of the Company will continue to be held on at least 21 clear days' notice. The approval will be effective until the conclusion of the Company's Annual General Meeting to be held in 2022, when it is intended that a similar resolution will be proposed.

The Directors consider that all resolutions to be considered at the Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own shareholdings.

Yours sincerely,

**R. Blair Thomas**

Chairman

## DIRECTORS SEEKING ELECTION OR RE-ELECTION



**R. Blair Thomas**  
Chairman

**Appointed**  
31 March 2021

### Biography

Blair is the Chief Executive Officer of EIG Global Energy Partners ('EIG'), and chairs the firm's Investment and Executive Committees. EIG is among the largest private equity investors in the energy sector and is active across the energy value chain and around the globe. Prior to joining EIG in 1998, Blair was a senior investment officer with the Inter-American Development Bank and a project finance attorney at the law firm of Brown & Wood in New York. Blair also served in the administration of U.S. President George H. W. Bush as an advisor on energy and budget policy.

### Board contribution and reasons for election

Blair was appointed as Non-Executive Chairman of the Company pursuant to EIG's right to appoint up to two directors to the Board. Blair has more than 30 years' experience in the investment management business, with a focus on energy and energy-related infrastructure. He was also a member of the Board of Directors of Chrysaor Holdings Limited from 2017 through to completion of the Merger. The Board believes that Blair's industry experience and knowledge of the Harbour Group justifies his appointment as Chairman and is of significant benefit to the Company and shareholders as a whole.

### Other appointments with public companies

None

### Committee membership

**N** Chair

### Independent

No



**Linda Z. Cook**  
Chief Executive Officer

**Appointed**  
31 March 2021

### Biography

Prior to the Merger, Linda was Chief Executive Officer (CEO) of Harbour Direct Holdings Ltd and Managing Director and member of the Investment and Executive Committees of EIG, positions she held since 2014. From 2017, Linda also served as the Non-Executive Chairman of Chrysaor Holdings Limited. She retired from Royal Dutch Shell plc in 2010, at which time she was a member of the Board of Directors and the Executive Committee. During her 29 years with Shell, she held positions including CEO of Shell Gas and Power (London); CEO of Shell Canada Limited (Calgary); Executive Vice President Strategy and Finance for Global Exploration and Production (The Hague); and various US Exploration & Production management, operational and engineering roles. She remains an advisor to EIG and is currently a trustee for the University of Kansas Endowment Association, a member of the Society of Petroleum Engineers, and a Non-Executive Director on the Board of BNY Mellon.

### Board contribution and reasons for election

Linda has significant experience in building and managing large-scale, global energy businesses. She has a track record of successful strategic execution and growth, including through M&A, major project delivery, and raising capital. Her experience in disciplined capital allocation within the sector is invaluable for Harbour as the Company embarks on an ambitious programme of investment across the portfolio. Also important are Linda's many years of experience serving as a director, in both executive and non-executive capacities, on the boards of large, publicly listed companies.

### Other appointments with public companies

- BNY Mellon, Non-Executive Director and Chair of the Human Resources and Compensation Committee

### Committee membership

None

### Independent

N/A



**Phil Kirk**  
President and CEO Europe

**Appointed**  
31 March 2021

### Biography

Phil was previously Chief Executive Officer for the Chrysaor Group. After qualifying as a chartered accountant with Ernst & Young in 1991, he joined Hess in 1996 where he served in a variety of roles including Head of Finance, North West Europe. In 2002, Phil set up CH4 Energy where he was Joint Managing Director. CH4 acquired and operated the Markham Field and associated satellites on the UK/Dutch median line. After selling CH4 to Venture Production in 2006, he founded Chrysaor in 2007 and led the group until completion of the Merger. Phil has been a member of the Board of Oil and Gas UK since 2013 and recently retired from the position of Co-Chair. He is a Chartered Accountant, Fellow of the Energy Institute and a member of the Society of Petroleum Engineers.

### Board contribution and reasons for election

Phil has significant knowledge and experience of the Company's UK portfolio, having built the Chrysaor business into the largest UK oil and gas producer. His strong relationships with regulators and industry leaders in the UK energy sector are vital in ensuring that the Company is able to maintain safe and responsible operations in the North Sea whilst delivering high cash generation and infrastructure-led investment. Phil's experience in M&A execution and integration will be of great importance to the Company as the legacy Chrysaor and Premier businesses are integrated over the coming months.

### Other appointments with public companies

None

### Committee membership

None

### Independent

N/A

## Committee membership

**A** Audit and Risk Committee **H** Health, Safety, Environment and Security Committee **N** Nomination Committee **R** Remuneration Committee



**Alexander Krane**  
Chief Financial Officer

**Appointed**  
15 April 2021

### Biography

Alexander has over 20 years of experience in various accounting, controlling and executive roles in the energy industry. Alexander started his career at KPMG, working in both Norway and the US from 1999 to 2006. After working as Group Controller for Norse Energy Corp., a junior E&P company with operations in Brazil and onshore US, Alexander joined Aker ASA as Corporate Controller in 2010. In 2012, Alexander joined Det Norske Oljeselskap ASA as Chief Financial Officer, responsible for all financial functions as well as strategy, business development and M&A. After the merger with BP Norway in 2016, Alexander remained Chief Financial Officer of the merged entity, Aker BP ASA. In 2019, Alexander left Aker BP ASA to become Investment Director at Aker ASA, responsible for Aker ASA's oil and gas investments.

### Board contribution and reasons for election

Having spent a large portion of his career as CFO of Aker BP, including during the merger of Det Norske Oljeselskap and BP Norge, Alexander has experience leading a large finance function through an integration process. His listed company experience and understanding of debt and equity capital markets will be invaluable in ensuring that the Company has the balance sheet strength to be able to deliver its growth and investment plans through the commodity price cycle.

### Other appointments with public companies

None

### Committee membership

None

### Independent

N/A



**Simon Henry**  
Senior Independent Non-Executive Director

**Appointed**  
31 March 2021

### Biography

Simon spent 35 years in an executive career with Royal Dutch Shell plc, retiring as Chief Financial Officer and Executive Director in March 2017. In addition to responsibility for all financial activities of the company, he was responsible for Strategy, Planning and Information Technology, and acted as Regional Executive Director for Asia Pacific with specific oversight of new business development in China. Simon is a member of the boards of Rio Tinto, where he chairs the Audit Committee, and the Ministry of Defence, where he chairs the Audit and Risk Assurance Committee. He is also a member of Board of PetroChina, where he is a member of the Investment and Development Committee. He joined the Board at Lloyds Banking Group in 2014 and chaired the Audit Committee for three years prior to stepping down from the Board in September 2020. Simon was previously a member of the Main Committee of the 100 Group of UK FTSE CFOs and Chair of the European Round Table CFO Taskforce, and remains a member of the Advisory Board of the Centre for European Reform, a UK based think tank.

### Board contribution and reasons for election

Simon's position as Senior Independent Director is vital for the Board in ensuring that the highest standards of corporate governance are maintained. He plays a pivotal role in managing the relationship with the Company's major shareholder, EIG, and ensuring that the Company is able to operate independently and in accordance with its obligations as a listed company. In addition, Simon brings significant experience in both the oil and gas sector and public markets having spent his entire career working with large-scale companies.

### Other appointments with public companies

- Rio Tinto plc, Non-Executive Director and Chair of the Audit Committee
- PetroChina Company Limited, Non-Executive Director

### Committee membership

**A** **H**

### Independent

Yes



**Anne Marie Cannon**  
Independent Non-Executive Director

**Appointed**  
1 February 2014

### Biography

Prior to the Merger, Anne Marie was a Non-Executive Director of Premier Oil plc from 2014 and served as the Senior Independent Director since early 2020. She has over 40 years of experience in the oil and gas industry and investment banking and is an experienced director, holding both executive and non-executive roles. Anne Marie commenced her career in 1981 with Shell UK Exploration & Production working in finance before moving into investment banking with J Henry Schroder Wagg as a Director in the oil and gas group in 1989. She subsequently joined the board of Hardy Oil & Gas in 1995 as an Executive Director and combined Hardy with British Borneo in 1998. From 2000 to 2014 Anne Marie was the Senior Adviser in the natural resources group at Morgan Stanley focusing on international upstream M&A and since 2019 Anne Marie has been a Senior Advisor to the strategic advisory business at PJT Partners. She has served as a Director and Deputy Chairman of Aker BP since 2013. In addition, she has been a Non-Executive Director of STV Group since 2014 and Chair of the Remuneration Committee. She has also served as a Non-Executive Director of Aker Energy AS since 2018 and previously served as a Non-Executive Director of Aker ASA from 2011 to 2019. Anne Marie is a Fellow of the Energy Institute.

### Board contribution and reasons for re-election

Having spent much of her career in the energy sector including while at Morgan Stanley and J Henry Schroder Wagg, Anne Marie has significant experience advising on oil and gas mergers and acquisitions, and is thus well equipped to engage with management and provide appropriate independent challenge in relation to commercial transactions. Having previously served on the Premier Board, Anne Marie also brings continuity to the Company's Board and Committees in relation to governance as well as with regard to the legacy Premier assets and operations.

### Other appointments with public companies

- STV plc, Non-Executive Director and Chair of the Remuneration Committee
- Aker BP ASA, Deputy Chair

### Committee membership

**A** **R**

### Independent

Yes

## DIRECTORS SEEKING ELECTION OR RE-ELECTION CONTINUED



**G. Steven Farris**  
Non-Executive Director

**Appointed**  
31 March 2021

### Biography

Steve served as Chairman and Chief Executive Officer of Apache Corporation, an independent oil and gas company with operations in the United States, Canada, the UK North Sea, Egypt, and Australia. He joined Apache in June 1988 serving in various roles before becoming Chief Executive Officer in May 2002 and subsequently Chairman in January 2009. Prior to joining Apache, Steve was Vice President, Finance and Business Development, of Terra Resources, a subsidiary of Sempra Energy. Before working at Terra, he was Executive Vice President of Robert W. Berry, Inc., an independent oil and gas company. Steve began his career with Deloitte, Haskins & Sells. Steve is the former Chairman of America's Natural Gas Alliance, the American Chairman of the US-Egypt Business Council and a member of the Executive Committee of the M.D. Anderson Cancer Center Board of Visitors. He is also a member of the Board of Directors of the Ucross Foundation, an artist residency program located in Wyoming. In addition, Steve served as a Non-Executive Director of Chrysaor Holdings Ltd from 2017 up until completion of the Merger and has been a member of the Board of Directors of Harbour Direct Holdings Limited since 2015.

### Board contribution and reasons for election

Steve was appointed as a Non-Executive Director of the Company pursuant to EIG's right to appoint up to two directors to the Board. Having spent his entire career within the energy sector and, in particular, leading Apache Corporation through a period of significant growth and expansion, Steve's knowledge and counsel is a great asset to the Board and the Company as a whole.

### Other appointments with public companies

None

### Committee membership

**H**

### Independent

No



**Alan Ferguson**  
Independent Non-Executive Director

**Appointed**  
31 March 2021

### Biography

Alan has over 20 years of executive experience in the mining and automotive industries. Alan worked at Inchcape for 22 years and was Group Finance Director from 1999 until 2005. He then served as Group Finance Director of The BOC Group from 2005 to 2006, and Chief Financial Officer of Lonmin from 2007 to 2010. Alan has been a Non-Executive Director of Johannesburg and New York listed AngloGold Ashanti since 2018, where he now chairs the Audit Committee. He is also currently Interim Chairman of AIM listed Marshall Motor Holdings, where he has been a member of the Board since 2015, is the Senior Independent Director and chairs the Audit Committee. Alan previously served as a Non-Executive Director on the boards of: Croda International from 2011 to 2020, where he was the Senior Independent Director (from 2018) and chaired the Audit Committee; Weir Group from 2011 to 2018, where he chaired the Audit Committee; Johnson Matthey from 2011 to 2020, where he was the Senior Independent Director (from 2014) and chaired the Audit Committee; and London Mining from 2013 to 2014, where he chaired the Audit Committee. Alan is a chartered accountant and sits on the Business Policy Panel of the Institute of Chartered Accountants of Scotland, as well as serving as a Director of the Audit Committee Chairs' Independent Forum.

### Board contribution and reasons for election

Alan brings current and relevant financial experience to the Board and as Chair of the Audit and Risk Committee having spent his executive career in finance roles along with a decade of experience leading audit committees of listed companies. Alan has already successfully led the tender process for the Group's external auditor and his expertise in audit and accounting is vital for the Group particularly as it enters the first reporting cycle as Harbour Energy plc.

### Other appointments with public companies

- AngloGold Ashanti Limited, Non-Executive Director and Chair of the Audit Committee
- Marshall Motor Holdings, Interim Chairman, Senior Independent Director and Chair of the Audit Committee

### Committee membership

**A** Chair **R**

### Independent

Yes



**Andy Hopwood**  
Independent Non-Executive Director

**Appointed**  
31 March 2021

### Biography

Andy has over 40 years' experience in the global oil and gas industry gained during his long association with BP. He retired from BP at the end of 2020, having spent the last 10 years as Executive Vice President serving on both the BP Group Executive Team and as Chief Operating Officer of Upstream. He was responsible for Upstream strategy, portfolio and the Regional business leaders. Prior to joining BP's Executive Team, Andy held several leadership positions in BP including onshore North America, in Trinidad & Tobago and in Azerbaijan. He has also held various commercial, operational and engineering roles in a wide range of geographies including in the North Sea, Venezuela, Mexico and Indonesia. He also served as Chair of the BP Foundation.

### Board contribution and reasons for election

With significant experience in the upstream oil and gas sector, Andy has a strong understanding of the technical, operational and commercial issues associated with developing and managing large-scale, complex energy assets throughout the world, from exploration through to decommissioning, and including in the areas of safety and the environment. Andy's oil and gas technical, operational and leadership expertise are invaluable to the Board and its Committees in overseeing the existing portfolio and assessing opportunities for investment.

### Other appointments with public companies

None

### Committee membership

**H** **N**

### Independent

Yes

## Committee membership

**A** Audit and Risk Committee **H** Health, Safety, Environment and Security Committee **N** Nomination Committee **R** Remuneration Committee



**Margareth Øvrum**  
Independent Non-Executive Director

### Appointed

1 April 2021

### Biography

Margareth has nearly 40 years of experience in the energy industry. Margareth worked for Equinor and its predecessor companies from 1982 until January 2021, and held multiple business unit and central management positions within the company. She was the first female and youngest platform manager of one of the company's oldest fields in the North Sea (Gulfaks), and sat on the company's corporate Executive Committee for over 16 years. Since 2004, Margareth has been an Executive Vice President at Equinor and has experience in HSE, technology, renewables, major projects, procurement and drilling, amongst others. In 2018, Margareth moved to Brazil to preside over Equinor's operations in the country. Margareth has served as a Non-Executive Director at TechnipFMC since October 2020, where she also sits on the Environmental, Social and Governance Committee. She has also served as a Non-Executive Director of FMC Corporation since 2016, where she is a member of the Sustainability Committee and the Nomination and Corporate Governance Committee. She has previously served as a Non-Executive Director on the Boards of Alfa Laval, Atlas Copco, Ratos and Siemens Norway. She has also been a board member of various non-profit organisations, including the Norwegian Research Council, the University of Bergen and Chairman at Helse Bergen Hospital Group.

### Board contribution and reasons for election

Margareth has extensive knowledge of international oil and gas operations, major projects, health and safety, sustainability and the role of digital technology in engineering. In particular, she has a passion for safety and the environment which will be of great value to the Board and through her role as Chair of the HSES Committee. She also has considerable governance experience through her non-executive director roles.

### Other appointments with public companies

- TechnipFMC plc, Non-Executive Director
- FMC Corporation, Non-Executive Director
- Transocean Ltd, Non-Executive Director (subject to election on 27 May 2021)

### Committee membership

**A** **H** Chair

### Independent

Yes



**Anne L. Stevens**  
Independent Non-Executive Director

### Appointed

31 March 2021

### Biography

Anne has over 30 years of experience in manufacturing and management, becoming the first female Vice President Executive of Ford Motor Company and the first female CEO of Carpenter Technology. Anne started her career in 1980 at the Exxon Chemical Company, where she served in multiple engineering and manufacturing positions before joining the Ford Motor Company in 1990 as a marketing specialist. She then became Vice President of North America Vehicle Operations in 2000 and Chief Operating Officer for the Americas in 2005. She was the recipient of various awards including the Shingo Prize for Leadership and the Eli Whitney Award from the Society of Manufacturing Engineers, resulting in her being honoured by the Automotive Hall of Fame. Anne served as Chairman, President and CEO of Carpenter Technology from 2006 until 2009. In 2018, she was appointed as CEO of GKN Aerospace on an interim basis to prevent a hostile takeover. Anne has also previously served as Chairman, CEO and principal of SA IT from 2011 to 2014, as a Non-Executive Director on the Board of XL Group from 2014 to 2018 (where she chaired the Operations and Technology Committee and served on the Risk and Finance and Audit Committees), and Lockheed Martin from 2002 until 2017 (where she chaired the Management Development and Compensation Committee and served on the Audit, Ethics and Sustainability, and Nominations Committees). She has been a Non-Executive Director at Anglo American since 2012 (where she chairs the Remuneration Committee and serves on the Audit and Nomination Committees).

### Board contribution and reasons for election

Having served on remuneration committees – including as chair – in a number of large organisations in recent years, Anne has significant experience of engaging with investors to deliver remuneration outcomes that are of benefit to all stakeholders. In addition to her expertise as a remuneration committee chair, Anne also contributes a wealth of experience built up over a long career in engineering and executive roles in large, global companies.

### Other appointments with public companies

- Anglo American plc, Non-Executive Director and Chair of the Remuneration Committee
- Aston Martin Lagonda Global Holdings plc, Non-Executive Director and Chair of the Remuneration Committee

### Committee membership

**N** **R** Chair

### Independent

Yes

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2021 Annual General Meeting of Harbour Energy plc (the 'Company') will be held at 23 Lower Belgrave Street, London, SW1W 0NR at 3:00pm on 23 June 2021, to consider the resolutions set out below.

### ORDINARY RESOLUTIONS

1. THAT the Company's Annual Report for the year ended 31 December 2020, together with the reports of the Directors and the Auditor, be received.
2. THAT the Annual Report on Remuneration set out on pages 81 to 83, and 94 to 107 (inclusive) of the 2020 Annual Report be approved.
3. THAT the Directors' Remuneration Policy set out in Appendix 3 of this Notice be approved.
4. THAT the amendments to the Harbour Energy 2017 Long Term Incentive Plan, summarised on page 3 of this document, be and are hereby approved.
5. THAT R. Blair Thomas be elected as a Director of the Company.
6. THAT Linda Z. Cook be elected as a Director of the Company.
7. THAT Phil Kirk be elected as a Director of the Company.
8. THAT Alexander Krane be elected as a Director of the Company.
9. THAT Simon Henry be elected as a Director of the Company.
10. THAT Anne Marie Cannon be re-elected as a Director of the Company.
11. THAT G. Steven Farris be elected as a Director of the Company.
12. THAT Alan Ferguson be elected as a Director of the Company.
13. THAT Andy Hopwood be elected as a Director of the Company.
14. THAT Margareth Øvrum be elected as a Director of the Company.
15. THAT Anne Stevens be elected as a Director of the Company.
16. THAT Ernst & Young LLP be re-appointed as Auditor of the Company until the conclusion of the next general meeting before which accounts are laid.
17. THAT the Audit and Risk Committee be authorised to determine the remuneration of the Auditor on behalf of the Board.
18. THAT the Company, and those companies which are subsidiaries of the Company at any time during the period for which this Resolution has effect, be authorised in accordance with Sections 366 and 367 of the Companies Act 2006 (the 'Act') to:
  - a) make political donations to political parties and/or independent election candidates, not exceeding £50,000 in total;
  - b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
  - c) incur political expenditure, not exceeding £50,000 in total(as such terms are defined in Sections 363 to 365 of the Act) during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the Annual General Meeting of the Company to be held in 2022, provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred under this authority shall not exceed £50,000.
19. THAT subject to and conditional upon the admission of the New Ordinary Shares of 0.002 pence each to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's Main Market for listed securities becoming effective, each of the Existing Ordinary Shares of 0.0001 pence which at 6:00pm on 24 June 2021 (or such later date as the Directors of the Company may determine and communicate to shareholders via an appropriate announcement to a Regulatory News Service) are shown in the books of the Company to be in issue or held in treasury shall be consolidated into New Ordinary Shares on the basis of every 20 Existing Ordinary Shares being consolidated into one New Ordinary Share, with each New Ordinary Share having the same rights as the Existing Ordinary Shares, provided that:
  - a) Where such consolidation results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share to which other members of the Company may be entitled;
  - b) The Directors of the Company be and are hereby authorised to sell (or appoint any other person to sell) to any person, on behalf of the relevant members, all the New Ordinary Shares representing such fractions with the proceeds of sale being retained by the Company; and
  - c) Any Director of the Company (or any person appointed by the Directors of the Company) shall be and is hereby authorised to execute an instrument of transfer in respect of such New Ordinary Shares on behalf of the relevant members and to do all acts and things the Directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares.
20. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company pursuant to, and in accordance with, Section 551 of the Act, to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
  - a) up to a nominal amount of £6,170 (such amount to be reduced by the nominal amount allotted or granted under part b) below in excess of such sum); and
  - b) comprising equity securities (as defined in Section 560(1) of the Act) up to a nominal amount of £12,340 (such amount to be reduced by any allotments or grants made under part a) above) in connection with an offer by way of a rights issue:
    - (i) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or, if the Directors otherwise consider it necessary, as permitted by the rights of those securities,and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that these authorities shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2022 or at the close of business on 22 September 2022, whichever is the sooner, save that the Company may before such expiry make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authorities conferred hereby had not expired.

## **SPECIAL RESOLUTIONS**

21. THAT if Resolution 20 is passed, the Directors be given powers pursuant to Section 571 of the Act, to allot equity securities (within the meaning of Section 560(1) of the Act) for cash under the authority conferred by Resolution 20 and/or sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale provided that this power shall be limited:
- a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of an authority granted under part b) of Resolution 20, by way of a rights issue only):
    - (i) to Ordinary shareholders (excluding any shareholder holding shares as treasury shares) in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares; and
    - (ii) to holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,and so that the Directors may impose any limits or restrictions and make any such arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
  - b) in the case of the authority granted under part a) of Resolution 20 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than pursuant to sub-paragraph a) above) of equity securities or sale of treasury shares up to a nominal amount of £925, such power shall apply until the conclusion of the Annual General Meeting of the Company to be held in 2022 or at the close of business on 22 September 2022, whichever is the sooner, save that, in each case, the Company may during this period make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power ends and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
22. THAT if Resolution 20 is passed, the Directors be given the power in addition to any power granted under Resolutions 20 and 21 to allot equity securities (within the meaning of Section 560(1) of the Act) for cash under the authority conferred by Resolution 20 and/or sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be:
- a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £925; and
  - b) used only for the purposes of financing a transaction (or refinancing, if the power is to be used within six months after the original transaction) which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this document,
- and such power shall apply until the conclusion of the Annual General Meeting of the Company to be held in 2022 or at the close of business on 22 September 2022 whichever is the sooner, save that, in each case, the Company may during this period make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power ends and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
23. THAT the New Articles of Association produced to the meeting (and initialled by the Chair for the purpose of identification) are adopted in substitution for, and to the exclusion of the Existing Articles of Association, with effect from the conclusion of the AGM.
24. THAT a general meeting of the Company (not being an Annual General Meeting) may be called on notice of not less than 14 clear days, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2022.

By order of the Board,

**Rachel Rickard**  
Company Secretary  
Harbour Energy plc  
17 May 2021

## NOTES TO THE NOTICE OF THE MEETING

### Attending the Annual General Meeting

The Board believes that, notwithstanding the planned relaxation of Government restrictions on the holding of events, a cautious approach to situations that appear to carry a higher COVID-19 transmission risk (particularly indoor events) will remain necessary for some time to come. **Accordingly, while the Board will hold the 2021 AGM (the 'AGM' or the 'Meeting') at 23 Lower Belgrave Street, London, SW1W 0NR, shareholders and corporate representatives are strongly encouraged not to attend the AGM in person but instead be represented by the Chair of the AGM acting as their proxy. Further details regarding how to vote by proxy are set out below.**

The Company will continue to closely monitor the developing impact of COVID-19 and the latest legislation and guidance issued by the UK Government. If circumstances evolve such that the Board considers that, within safety constraints and in accordance with Government guidance, arrangements regarding attendance at the AGM can change or should change, the Company will notify shareholders as soon as reasonably practicable of any such changes via a Regulatory Information Service, the Company's website and, if applicable, in accordance with the Company's Articles of Association.

### Shareholder participation

In accordance with the Companies Act 2006 (the 'Act'), any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Shareholder engagement is very important to the Board and the Company as a whole. Shareholders wishing to raise questions relating to the business of the AGM are encouraged to submit their questions via email (Investor.Relations@harbourenergy.com) or, alternatively, we would be happy to receive written questions by post sent to our Registrar, Link Group. The Company reserves the right to summarise and/or aggregate questions of a similar nature and responses given will be in relation to the business of the Meeting only. Any questions to be put to the AGM should be submitted by the close of business on 21 June 2021. The Company will publish a summary of responses on the 'Investors' page of its website following the AGM.

Members may not use any electronic address provided in this Notice or in any related documents (including the accompanying form of proxy) to communicate with the Company for any purpose other than those expressly stated.

Your Board strongly encourages you to vote electronically or to vote by proxy. You can cast your vote online at [www.harbourenergy-shares.com](http://www.harbourenergy-shares.com) or by post using a proxy card if you have been sent one. Further details regarding proxy voting can be found below.

To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on Monday 21 June 2021 (or, in the event of any adjournment, close of business on the date which is two working days before the time of the adjourned Meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

### Appointment of proxies

Members are entitled to appoint one or more proxies (who need not be a member of the Company) to exercise all or any of their rights to attend, speak and vote at the AGM. **In light of the COVID-19 situation, we strongly encourage all shareholders to exercise their vote by appointing the Chair of the AGM (rather than a named person) as their proxy and providing voting instructions in advance of the AGM. To be validly appointed, a proxy must be appointed (and relevant voting instruction cast) using the procedures set out in these Notes no later than 48 hours (excluding non-working days) before the time of the AGM or any adjournment of that AGM.**

The Company's Articles of Association provide that:

- if a member appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to vote at the relevant general meeting; and
- if a member submits more than one valid proxy appointment in respect of the same share, the appointment received last (regardless of its date or the date on which it is signed) before the latest time for the receipt of proxies will take precedence. If it is not possible to determine the order of receipt, none of the forms will be treated as valid.

A vote withheld is not a vote in law, which means that the vote will not be counted in the proportion of votes "for" and "against" a Resolution. Where a proxy has been appointed by a member, if such member does not give any instructions in relation to that Resolution that member should note that their proxy will have authority to vote on the Resolution as he/she thinks fit.

Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the proxy form. In the case of a member which is a company, the form of proxy should either be sealed by that company or signed by someone authorised to sign it.

A form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Link Group on +44 (0)371 664 0300 (calls to 0371 are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9:00am and 5:30pm, Monday to Friday, excluding public holidays in England and Wales.

To be valid, forms of proxy must be lodged by one of the following methods by 3:00pm on Monday 21 June 2021:

- in hard copy form by post to the Company's Registrar at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL;
- in the case of CREST members or CREST Personal Members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below;
- in the case of institutional investors you may utilise the Proximity platform as set out below; or
- by submitting your proxy appointment electronically via the internet at [www.harbourenergy-shares.com](http://www.harbourenergy-shares.com).

### CREST members

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual (available via [www.euroclear.com/about/en/business/Keylegaldocuments.html](http://www.euroclear.com/about/en/business/Keylegaldocuments.html)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Group (ID: RA10) by 3:00pm on Monday 21 June 2021.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat an instruction as invalid in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Proximity platform**

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). Your proxy must be lodged by 3:00pm on Monday 21 June 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

### **Nominated persons and information rights**

Any person to whom this Notice is sent who is a person nominated under Section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have the right to appoint the Chair of the Meeting as its proxy for the Meeting.

If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. However, the statement of the rights of shareholders in relation to the appointment of proxies described above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

### **Joint holders and corporate representatives**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior). Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **Members' power to require website publication of audit concerns**

Under Section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

### **Share capital**

As at 17 May 2021 (being the Latest Practicable Date prior to the date of this Notice) the Company's issued Ordinary share capital consisted of 18,510,652,139 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 17 May 2021 were 18,510,652,139.

### **Queries and access to information**

Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted): calling Link Group's shareholder helpline on +44 (0)371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00am to 5:30pm Monday to Friday, excluding public holidays in England and Wales. You may not use any electronic address provided either (a) in this Notice of AGM, or (b) in any related documents (including the Chairman's letter and form of proxy) to communicate with the Company for any purposes other than those expressly stated.

The terms and conditions of appointment and letters of appointment of Non-Executive Directors and all the Directors' service contracts, the Annual Report for the year ended 31 December 2020, the rules of the Harbour Energy 2017 Long Term Incentive Plan, copies of the Existing Articles, the proposed New Articles and the proposed New Articles marked to show all the proposed changes, and this Notice will be available for inspection at the Company's registered office and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY from the date of this document until the close of the AGM. If you would like to inspect copies of any of the documents listed in this paragraph, please contact the Company Secretary. If you would like to request a copy of this Notice in an alternative format such as in large print or audio, please contact the Company's Registrar, Link Group on +44 (0)371 664 0300.

A copy of this Notice, and other information required by Section 311A of the Act, can be found at [www.harbourenergy.com](http://www.harbourenergy.com).

### **Processing of personal data**

The Company may process the personal data of attendees at the Meeting. This may include audio recordings as well as other forms of personal data. The Company shall process any such personal data in accordance with its Privacy Policy available on Company's website.

## APPENDIX 1: NEW ARTICLES OF ASSOCIATION

### Summary of principal changes to the Company's Articles of Association

- 1. Non-Voting Deferred Shares:** The New Articles include an additional class of shares to account for the non-voting deferred shares created as a result of the sub-division of share capital that was carried out in connection with the Merger with Chrysaor Holdings Limited. The non-voting deferred shares do not carry any voting or dividend rights. The full rights attaching to them were set out in the sub-division resolution passed at the General Meeting of the Company held in connection with the Merger on 12 January 2021.
- 2. Variation of rights:** The New Articles include additional wording to allow the rights attached to any class of shares to be altered using the mechanism set out in the rights attached to that share or, if no such mechanism is provided for, by approval of the shareholders of that class.
- 3. Matters not constituting variation of rights:** The New Articles introduce a provision confirming that the purchase or redemption by the Company of any of its own shares will not constitute a variation of the rights of other shares unless otherwise expressly provided in the rights attached to those other shares.
- 4. Uncertificated shares:** The New Articles clarify that the Articles of Association shall apply to any shares that the Company has in issue which are CREST shares only to the extent that they are consistent with the Company exercising any of its powers or doing anything through CREST.
- 5. Untraced shareholders:** The New Articles amend the position in relation to certificated shares held by untraced shareholders. Rather than requiring the Company to take out two newspaper advertisements, the New Articles require the Company to use 'reasonable efforts' to trace a shareholder. 'Reasonable efforts' to trace a shareholder may include, if considered appropriate, the Company engaging a professional asset reunification company or other tracing agent to search for a shareholder who has not kept their shareholder details up to date.

In addition, in line with market practice, the New Articles provide that money from the sale of the shares of an untraced shareholder (that is a shareholder who has been untraceable for 12 years) will be forfeited if not claimed after two years from the date of sale, rather than six years. The Company may also sell any additional shares issued during and after the 12 year period during which a shareholder has not been traced even if the 12 year waiting period is not fulfilled with regard to the additional shares.
- 6. Sub-division of share capital:** The New Articles clarify that any shares resulting from a sub-division of the Company's existing shares may, in addition to having any preference or advantage as compared with the Company's other shares, also have deferred or other rights. This change makes administering any sub-division of shares more straightforward.
- 7. Participation in general meetings and electronic facilities and satellite meetings:** The New Articles expressly enable the Company to hold general meetings as hybrid meetings (i.e. where there is both a physical place of meeting and an electronic facility to allow shareholders to attend and participate remotely – through conference dial-in, web browser, or app technology, or a combination of these or other methods) if it chooses to do so. However, while the New Articles permit hybrid meetings, they specifically provide that they are not intended to permit wholly-virtual meetings which are held without a physical place of meeting and where shareholders can only participate electronically. Voting at hybrid meetings will, by default, be decided on a poll. Hybrid meetings may be adjourned in the event of a technological failure.

The New Articles allow the Company, where appropriate, to make changes to the arrangements for general meetings (including the introduction, change or cancellation of electronic facilities) after notice of the meeting has been issued. The Company may give notice of any such changes in any manner considered appropriate (rather than via an advertisement in two national newspapers). The New Articles also explicitly allow the Company to introduce health and safety arrangements at its meeting.

These changes are being introduced to provide the Board greater flexibility to align with technological advances, changes in investor sentiment and evolving best practice, particularly in light of the COVID-19 outbreak. In line with the views expressed by the Investment Association and Institutional Shareholder Services, the changes will not permit meetings to be held exclusively on an electronic basis, so a physical meeting will still be required. In deciding whether to hold a hybrid general meeting in future, the Company will have regard to the views of shareholders and institutional governance bodies at the relevant time.

The New Articles also specifically refer to the possibility of satellite/multi-venue meetings, such as the use of overflow rooms. Satellite meetings are legally valid even without such a provision but it has been added for clarity.

These changes are primarily contained in articles 47, 48, 50, 53 and 60 in the New Articles. A number of other consequential amendments have been made to the New Articles.
- 8. Adjournments to general meetings:** The New Articles include an additional power allowing the chair of a meeting to adjourn it if he or she deems that the facilities or security of the meeting have become inadequate or are otherwise not sufficient.
- 9. Objections of errors in voting:** The New Articles include an additional provision to clarify that the Company will not be obliged to check whether a proxy or company representative has voted in accordance with a shareholder's instructions, nor will a failure of a proxy or company representative to vote in accordance with instructions affect the decision of the meeting.
- 10. Annual retirement of Directors:** In line with the requirements of the UK Corporate Governance Code, the New Articles require Directors to retire (and should they wish to remain in office, seek re-election) at each Annual General Meeting. This requirement does not apply to Directors in their first year of appointment who were appointed in the period between the AGM notice being issued and the AGM itself. This confirms existing Company practice.
- 11. Position of retiring Director:** The Existing Articles state that a Director who fails to be reappointed at a meeting will be removed from office with immediate effect. The New Articles remove this provision so that a Director who fails to be re-elected at an AGM will remain in office until (the earlier of) the end of the meeting or a resolution being passed to appoint another person in the Director's place. This amendment ensures that there is a sufficient number of Directors in office to hold a quorate Board meeting if the Directors decide to adjourn the AGM and hold an emergency Board meeting to appoint new Directors.
- 12. Directors' fees:** The cap on total fees paid to the Chairman and the Non-Executive Directors has been increased to £1,500,000 a year under the New Articles. The new cap reflects the fact that the Board of Directors has been enlarged following the Merger, and is commensurate with the caps set in the articles of association of other companies of a comparable size and operating in a similar industry. The aggregate cap does not include Directors' expenses and/or allowances, or additional remuneration payable under other provisions of the Articles.
- 13. Additional remuneration:** The New Articles clarify that service on a committee is regarded as services beyond the ordinary duties of a director and as such additional fees can be awarded to a Director who serves on any committee of Directors or devotes special attention to the business. All remuneration payable to Directors will be in accordance with the shareholder approved Remuneration Policy in place at the time.

14. **Borrowing powers:** Under the New Articles the amount of the Company's total borrowings has been increased to the greater of US\$10 billion or five times the Company's adjusted capital and reserves. Additional changes have been made to provide more detail on how to calculate the Group's total borrowings. This amendment is being proposed to reflect the significantly increased scale of the Group's operations and balance sheet as a result of the Merger.
15. **Payment procedure:** In relation to any dividend or other money payable in cash relating to a share, the New Articles include additional provisions to allow the Board to decide which payment method is to be used, which method is to be the default, and whether shareholders may (or may not) make an election for a distribution channel other than the default. In addition, the New Articles provide that amounts due to shareholders who give no, or invalid, account details, will be treated as unclaimed until the shareholder gives valid details.
16. **Forfeiture of unclaimed dividends:** The Existing Articles provide that all dividends unclaimed for a period of 12 years or more after becoming due shall be forfeited. The New Articles reduce this period to six years, in line with market practice.
17. **Scrip dividends:** Under the Existing Articles, the Directors can be authorised by way of ordinary resolution to offer ordinary shareholders the right to receive extra ordinary shares, instead of some or all of their cash dividend, in relation to dividends paid not later than the fifth anniversary of the date on which such resolution was passed. The New Articles reduce this period to three years.
18. **Strategic reports with supplementary material:** The Existing Articles provide that the Company may supply shareholders with summary financial statements in the place of full reports and accounts. In line with existing laws and regulations, the New Articles clarify that the Company is permitted to send a copy of its strategic report with supplementary material instead of its full accounts to a member who has elected or tacitly agreed to receive these documents.
19. **Method of service:** The New Articles make changes in relation to the delivery of notices, documents or other information to shareholders. Reference to the "United Kingdom" has been removed to allow overseas shareholders to have notices, documents and other information sent to their overseas address, rather than having to supply a postal address within the United Kingdom. The New Articles include an additional provision to allow the Company to choose not to serve, send or supply a notice, document or other information to a shareholder where the Company considers this necessary or appropriate to deal with legal, regulatory or practical problems in or under the laws of any territory. This change was made in recognition of the fact that there may be circumstances in which having to send notices etc. to residents of overseas jurisdictions might result in disproportionate difficulties.
20. **Members of branch registers / resident abroad:** The New Articles no longer provide that shareholders outside the UK, and which have not provided the Company with a postal address within the UK for the services of documents or other information, shall not be entitled to receive any notice or other documents from the Company. However, the New Articles provide that for shareholders registered on a branch register, notices or other documents can be posted or despatched in the United Kingdom or in the country where the branch register is kept.
21. **Service of notice on persons entitled by transmission:** The New Articles no longer include a requirement for postal addresses provided by persons entitled to shares by transmission to be in the UK. The New Articles give the Company discretion to serve, send or supply notices etc. in hard copy form only, and (where it considers it necessary to deal with local requirements) choose not to serve, send or supply notices etc. to some or all persons who are entitled to a shareholder's shares by law.
22. **General:** As the Company is proposing to make the changes described above, the opportunity has been taken to also incorporate amendments of a more minor, technical or clarifying nature to reflect changes in applicable law or current market best practice, to remove provisions in the Existing Articles which duplicate English company law and to include some clearer language in other parts of the New Articles. Additionally, changes have been made throughout so that the New Articles use gender neutral language, for example a universal change of "Chairman" to "Chair".

## APPENDIX 2: LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Shareholder,

### Executive remuneration at Harbour Energy plc – new policy being put to the AGM

At our AGM on 23 June 2021, the Board are presenting a resolution (Resolution 3) to approve a new Directors' Remuneration Policy (the 'New Policy'). This resolution shall be binding and the New Policy shall apply from this date.

Harbour's strategy is to create a leading, global, independent oil and gas company. We will invest in our high quality, large-scale asset base in the UK, with the goal to maintain production levels and continue generating material free cash flow. We will also leverage our international experience and track record to pursue growth in other regions, to create a more balanced and diversified portfolio. All this will be delivered while maintaining a disciplined approach to capital allocation and a commitment to safety and the environment.

In this context, the Board have developed a new Directors' Remuneration Policy for Harbour which aligns with our strategy, culture and values. I have outlined some of the key features of the New Policy and the rationale below.

### Summary of the New Directors' Remuneration Policy

Our approach to designing an executive remuneration framework has been to seek to balance the requirements of the UK listed environment while ensuring pay is competitive for a global oil and gas company. Our remuneration framework meets all of the best practice expectations of a UK plc, but our pay levels have been set to recognise the experience and quality of our executives and the global nature of the talent market for oil and gas companies.

Many of our sector peers, with whom we compete for talent, are located outside the UK where pay practices vary. This includes several key competitors in the US where pay levels in the market are commonly higher. The Committee and I are aware of the sensitivities of introducing US-style packages in a UK company and we worked hard to develop an approach which is flexible enough to attract top global talent in our sector while being structured to reflect the expectations of UK institutional investors. Pay levels have been set at a level that is necessary to attract FTSE 100 calibre executives and which appropriately reflects the international experience and role responsibilities of our Executive Directors who are critical to the ongoing success of Harbour. Two of our executives – the CEO and the CFO – have been recruited from outside of the UK.

Although we do not solely rely on benchmarking to determine pay levels, we have reviewed market pay levels to compare the packages against oil and gas sector companies and UK-listed companies of a similar size. This demonstrated that pay levels were competitive relative to the FTSE market capitalisation group, but less competitive relative to the sector peer group.

A summary of the packages for the three Executive Directors is as follows:

Salary	Annual bonus opportunity	LTIP opportunity	Pension
CEO: £850,000	200% of salary	CEO: 300% of salary	Pension allowance: 15% of salary, in line with the lower end of the range currently applicable to the wider workforce in the UK
President & CEO Europe: £600,000	50% deferred into shares for three years	Other Executives: 250% of salary	
CFO: £525,000	Based on a balanced scorecard of safety, environment, operations, growth, capital deployment and financial measures	Based on TSR performance vs. FTSE 100 and an oil and gas sector comparator group	

### Alignment with UK best practice

The New Policy has been designed with UK best practice features in mind, in line with the expectations set out in the UK Corporate Governance Code and proxy agency and investor guidance. Therefore, we have adopted the following features:

<b>Bonus deferral</b>	50% of any bonus earned will be deferred into shares for three years, in line with the upper end of practice in the FTSE 100
<b>LTIP holding period</b>	2-year post-vesting holding period will apply, in line with best practice expectations for UK listed companies
<b>Pension allowance</b>	Pension allowance in line with the lower end of the range currently applicable to the wider workforce in the UK (15% of salary)
<b>Shareholding requirement</b>	This will be equivalent to the LTIP opportunity for each Executive Director i.e. 300% of salary for the CEO and 250% of salary for other Executive Directors  In line with best practice, this must be held in full for two years following departure from the Company
<b>Discretion and Malus and clawback</b>	The Policy will allow the Committee to adjust the formulaic outcome under incentive outcomes  Malus and clawback provisions will apply

## Performance measures

The Committee and the full Board gave careful thought to the metrics that would best drive performance immediately following Harbour's inception.

### Annual bonus

In line with common practice in our sector, the 2021 annual bonus will be based on a scorecard of measures and focuses on key priorities of Safety, Environment, Operations, Growth, Capital Deployment and Financial measures. The weightings and metrics for each category are listed below.

<b>Safety (15%)</b>	Including Safety Incident Rate, Process Safety
<b>Environment (10%)</b>	Greenhouse Gas ('GHG') Emissions
<b>Operations (30%)</b>	Including Oil and Gas Production and Unit Operating Cost
<b>Growth (10%)</b>	Oil and Gas Reserves Replacement
<b>Capital Deployment (20%)</b>	Including Expenditure vs Authority for Expenditure ('AFE'), Reserves vs AFE, Initial Production vs AFE
<b>Financial (15%)</b>	Free Cash Flow

Performance measures and weightings will be reviewed each year and a different approach may be used in future years.

The bonus will start to pay out for achieving threshold levels of performance. 50% of maximum will be paid for target performance with the full bonus only paying out for exceptional performance.

Performance targets have been set taking into account internal forecasts, historical performance and performance benchmarks for our sector.

The Committee considers that these targets are appropriately stretching. The performance targets are considered commercially sensitive and will be disclosed in the directors' remuneration report following the end of the performance year.

### Harbour Energy 2017 Long Term Incentive Plan (the 'LTIP')

The 2021 LTIP awards will be based on two equally weighted measures: relative Total Shareholder Return ('TSR') compared to the FTSE 100 and relative TSR compared to a bespoke group of comparators. Given the challenges of setting long-term financial targets in a cyclical industry, particularly for a newly formed business, the Committee considered that basing the award fully on TSR performance was appropriate and aligned management with the shareholder experience.

For the broad index group, the FTSE 100 was chosen as this is the index which Harbour aspires to be a part of as we realise our growth strategy.

The Committee gave careful thought to the most appropriate comparators to include in the bespoke group. We have chosen a selection of companies from the UK, Europe and US, reflecting the international nature of our business, mostly focused on oil and gas production. The group consists of 17 comparators as follows: Aker BP, Apache Corp, BP, Cairn Energy, Diversified Gas and Oil, Energean, Genel Energy, Hess, Wood Group, Kosmos Energy, Lundin Energy, Marathon Oil, Murphy Oil, Royal Dutch Shell, Seplat Petroleum, Tullow Oil, and Vermilion Energy.

For both of the TSR measures, threshold vesting (25%) will occur for median performance and full vesting for upper quartile performance, with straight-line vesting in between these points.

The decision to focus the LTIP exclusively on TSR, and the choice of comparators, will be kept under review for future awards and we may consider financial or other targets for future cycles.

### Benefits

The Executive Directors will also receive a benefits package aligned with our approach to other employees within the organisation. The CEO and CFO are intending to relocate from the US and Norway respectively to join Harbour and they are entitled to receive the same expatriate benefits as other employees relocating internationally. The CEO and CFO have elected not to take the full expatriate benefits we offer to other employees and their benefits will be limited to housing for a period of time and two return flights home per year. The CEO will also receive tax equalisation on her package.

The CEO and CFO's housing will be paid for by the Company up to a value of approximately £120,000 p.a. and £60,000 p.a. respectively. The arrangements for the CEO will be in place for an initial three-year period. The arrangements for the CFO will be in place for two years. The Committee considers it appropriate to provide this benefit for a period of time given the CEO and CFO have been required to re-locate to take up their roles.

The CEO's remuneration will be tax equalised for an initial three-year period, to ensure she is not required to pay more tax in the UK than she would do in the US. Again, this is in line with the policy for all international assignees.

As noted above, other benefits normally offered to employees as part of the expatriate policy will be waived for the Executive Directors. Travel costs will be limited to two flights home per year, with the cost of any additional flights home to be incurred personally.

## APPENDIX 2: LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE CONTINUED

### Other awards

In addition to the 2021 LTIP, the CEO has received a buyout award to compensate for the loss of incentive arrangements she had as part of her employment at EIG, under whose terms she relinquished on departure. This buyout award has been made on a like-for-like basis, at a level equal to the value forfeited and with vesting according to the same timescales. Malus and clawback will apply.

The CFO will receive a one-off award, which will be permitted under the new Policy on a one-time basis only. The Committee recognises that this is a highly irregular approach for new executive appointments; however, the award was essential to secure the preferred candidate at a time when it was imperative to recruit a top calibre team to deliver Harbour's ambitious strategy as a new company, and this decision was therefore considered to be in the best interests of shareholders. The award will be made in shares with a value of £1 million and will vest on the third anniversary of grant with a two-year post-vesting holding period. Malus and clawback will apply.

### Non-Executive Director fees

Our fees for Non-Executive Directors have been reviewed and will be as follows:

#### Basic fees

Chairman all-inclusive fee	£300,000
Other Non-Executive Directors' base fee	£85,000

#### Supplementary fees

Senior Independent Director	
Chair of Audit and Risk Committee	£30,000
Chair of Remuneration Committee	
Chair of Health, Safety, Environment and Security Committee	£20,000
Chair of Nomination Committee (N.B. waived by the Chairman)	
Member of Audit and Risk Committee	
Member of Remuneration Committee	£15,000
Member of Health, Safety, Environment and Security Committee	
Member of Nomination Committee	£10,000

Non-Executive Directors may also be eligible for an international travel allowance and the reimbursement of reasonable business expenses.

In developing this policy the Board have consulted extensively with our shareholders. I look forward to receiving your support for our new Directors' Remuneration Policy at the AGM.

### Anne Stevens

Chair of the Remuneration Committee  
Harbour Energy plc

## APPENDIX 3: DIRECTORS' REMUNERATION POLICY

The following sets out the Directors' Remuneration Policy for Harbour Energy plc (the 'Company', 'Harbour').

### DIRECTORS' REMUNERATION POLICY

The following table sets out our Directors' Remuneration Policy ('Policy'). This Policy is being put forward to shareholders for their binding approval at the AGM on 23 June 2021 and will apply to payments made from this date. Details of how we intend to operate this Policy for the 2021 financial year are set out as part of the statement from the Remuneration Committee Chair on pages 16 to 18 of this AGM notice.

#### Key principles of our Remuneration Policy

The objective of the Remuneration Policy is to ensure it supports shareholder interests, reinforces the business strategy and promotes long-term sustainable success. Overall, the Committee aims to ensure that pay rewards all employees fairly and responsibly for their contributions. Remuneration packages are intended to be sufficiently competitive to attract, retain and motivate individuals with the deep sector knowledge and extensive listed company experience required to achieve the Group's objectives and thereby enhance shareholder value. In addition, the Committee aims to ensure that the Remuneration Policy does not raise environmental, operational, social, safety or governance risks by inadvertently motivating irresponsible behaviours.

Premier Oil plc merged with Chrysaor Holdings Limited on 31 March 2021 (the 'Merger') to form Harbour Energy plc. The Group's strategy is to create a leading, global, independent oil and gas company through investment in its high quality, large-scale asset base in the UK and broad international growth, leading to a more balanced and diversified portfolio and delivering value for shareholders.

At the time of the Merger, the Committee reviewed the existing Directors' Remuneration Policy to consider its ongoing appropriateness in the context of the Group's strategy, purpose and values. In particular, the policy required the capability to attract FTSE 100 or Fortune 50 calibre global talent who are critical to delivering high performance and growth and returning value to shareholders. Many sector peers, with whom Harbour competes for talent, are located outside the UK where pay practices vary. The Policy was therefore designed in a way that ensures pay is competitive for a global oil and gas company with a strong focus on pay for performance, while being structured to reflect the expectations of UK institutional investors. The Policy framework meets all of the best practice expectations of a UK plc, but pay levels have been set to recognise the Executive Directors' deep sector experience and proven track record of delivering large-scale initiatives at international oil and gas companies and to reflect the global nature of the talent market in our sector.

#### Committee process in determining the Remuneration Policy

As outlined above, following the Merger, the Committee undertook a detailed review of the Remuneration Policy to ensure that our Policy was appropriate to support the new Company. The process the Committee went through was as follows:

- the Committee considered the Company's strategy to create a leading, global, independent oil and gas company and the changes required to the policy to ensure that we were able to recruit and retain executives of the calibre required to deliver this strategy and drive high levels of performance;
- the Committee sought advice from its independent remuneration consultant in developing the Policy including in relation to current investor sentiment;
- when determining the new Policy the Committee ensured it addressed the factors of Provision 40 of the Code, namely clarity, simplicity, risk, predictability, proportionality and alignment to culture;
- the Committee reviewed the wider workforce remuneration and incentives to ensure the approach to executive remuneration is appropriate in this context;
- the Committee consulted with Executive Directors and other relevant members of senior management on the proposed changes to the policy; and
- the Committee conducted a full consultation exercise with major shareholders (representing over 75 per cent of shares in issue) and investor bodies on the changes.

The Committee was mindful in its deliberations on the new Remuneration Policy of any potential conflicts of interest and sought to minimise them through an open and transparent internal consultation process, by seeking independent advice from its external advisers and by undertaking a full shareholder consultation exercise.

## APPENDIX 3: DIRECTORS' REMUNERATION POLICY CONTINUED

### Executive Director Policy

The Policy for Executive Directors is set out below:

<b>Salary</b>	
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To provide an appropriate level of salary to support recruitment and retention of Executive Directors of the calibre required to deliver the Group's strategy, and with due regard to the role and the individual's responsibilities and experience</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Typically reviewed annually with reference to Company and individual performance, each executive's responsibilities and experience, the external market for talent, and salary increases across the Group</li><li>• Salaries are reviewed taking into account market practice at other oil and gas sector companies in the UK and internationally and UK-listed companies of a similar size to Harbour</li><li>• Salary increases are normally effective 1 January</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Whilst there is no maximum salary, increases will normally be in line with the typical increases awarded to other employees in the Group</li><li>• However, increases may be above this level in certain circumstances such as:<ul style="list-style-type: none"><li>– Where an Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role, larger increases may be awarded to move salary positioning closer to typical market level as the Executive Director gains experience</li><li>– Where an Executive Director has been promoted or has had a change in responsibilities</li><li>– Where the size and complexity of the Company has changed materially</li><li>– Where there has been a significant change in market practice</li></ul></li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Not applicable</li></ul>
<b>Pension</b>	
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To help provide a competitive pension provision, facilitating the recruitment and retention of high-calibre Executive Directors to execute the Group's strategy</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Executive Directors are eligible to participate in the Company's defined contribution personal pension plan and/or receive an equivalent cash supplement</li><li>• The only pensionable element of pay is salary</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Executive Directors will receive pension contributions and/or an equivalent cash supplement in line with the contribution for the majority of the UK workforce. Pensions for existing Executive Directors are currently set at 15 per cent of base salary, the lower end of the current range for the Company's UK workforce. If the pension range of the Company's UK workforce changes then pension provision for Executive Directors would normally also change in line with the wider workforce</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Not applicable</li></ul>
<b>Benefits</b>	
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To provide a benefits package competitive in the market for talent and to support the wellbeing of employees</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Executive Directors receive a competitive benefits package, which may include medical and dental insurance, car allowance, life assurance, income protection cover, personal accident insurance, expatriate benefits, relocation allowance, health checks and a subsidised gym membership</li><li>• Where an Executive Director has been required to re-locate to perform their role they may be provided with additional benefits to reflect their circumstances, which may include items such as a housing allowance, flights home and tax equalisation. Such benefits will be determined taking into account our expatriate policy for other employees who are moving from their home location to take up their role</li><li>• Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual Director</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Set at a level which the Committee considers appropriate for the role, location and individual circumstances</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Not applicable</li></ul>

## All-employee share plans

<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To encourage share ownership in Harbour and increase the alignment of the Executive Directors' interests to those of stakeholders</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Executive Directors may participate in any all-employee share plans operated by the Company on the same terms as other employees</li><li>• UK-based employees (including UK-based Executive Directors) may be invited to participate in the following tax advantaged share plans:<ul style="list-style-type: none"><li>– Share Incentive Plan ('SIP'), under which employees may buy partnership shares using gross pay and the Company may then grant matching shares. Under the SIP, free shares may also be granted. Dividends may accrue on any shares and be automatically reinvested</li><li>– Save As You Earn ('SAYE') scheme under which employees are invited to make regular monthly contributions over three or five years to purchase shares through options which may be granted at a discount</li></ul></li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Under the SIP, participants may participate up to HMRC prescribed limits</li><li>• Under the SAYE, employees may save up to HMRC prescribed limits</li><li>• For any other all-employee plan operated, Executive Directors may participate on the same basis as other employees</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Not applicable</li></ul>

## Annual bonus

<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To reinforce the delivery of key short-term financial and operational objectives and, through the deferred share element, help ensure alignment with shareholders and support retention</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Performance is normally measured on an annual basis for each financial year against stretching but achievable financial and non-financial targets, comprising Key Performance Indicators ('KPIs'), and other corporate objectives</li><li>• Performance measures, weightings and targets are set at the beginning of the year and weighted to reflect business priorities</li><li>• A proportion, normally at least 50%, of any annual bonus earned is deferred in shares for three years</li><li>• Deferred share awards may be granted in such form as determined by the Committee in accordance with the LTIP Rules including in the form of conditional shares and nil cost options</li><li>• Dividend equivalents may accrue on Deferred Bonus Awards granted under the LTIP and be paid on those shares which vest. Dividend equivalent payments made under this Policy will be made in shares</li><li>• Annual bonus payouts and deferred shares are subject to malus and clawback in the event of material misstatement of the Company's financial results, gross misconduct, material error in the calculation of performance conditions or other conditions, serious reputational damage, corporate failure, or in such other exceptional circumstances as the Committee sees fit</li><li>• The Committee may exercise malus and clawback until the later of: (i) two years from the payment of the bonus or the vesting of the shares, or (ii) the completion of the second audit after payment/vesting</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Up to 200 per cent of salary in respect of a financial year</li><li>• Normally 50 per cent of the maximum pays out for target performance</li><li>• Normally 0 per cent of the maximum pays out for threshold performance but the Committee may increase this to up to 25 per cent of maximum if this is considered appropriate</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Performance is normally assessed against a corporate scorecard encompassing several performance categories, which may include some or all of Safety, Environment, Operations, Growth/Capital Deployment, and Financial. Other measures may also be incorporated if this is considered appropriate</li><li>• Normally, the Committee would not expect the weighting for any performance category in the corporate scorecard to be higher than 50 per cent. However, it retains discretion to adjust weightings to align with the business plan for each year</li><li>• The Committee retains the discretion to adjust outcomes in the event that they are not considered reflective of the underlying business performance and/or wider circumstances over the vesting period</li></ul>

## APPENDIX 3: DIRECTORS' REMUNERATION POLICY CONTINUED

### LONG-TERM INCENTIVES

#### The Harbour Energy 2017 Long Term Incentive Plan – Performance Share Awards

<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To support alignment with shareholders by reinforcing the delivery of returns to shareholders, with a focus on relative stock market out-performance over the long term, and with due regard for the underlying financial and operational performance of the Company</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• The Committee may grant Performance Share Awards annually</li><li>• Awards may be in the form of nil or nominal priced options or conditional shares</li><li>• Performance Share Awards normally vest based on performance assessed over a period not shorter than three years</li><li>• Awards vesting are normally subject to a minimum two-year Holding Period such that the total time horizon is at least five years (normally on a net of tax basis)</li><li>• Dividend equivalents may accrue on Performance Share Awards. Dividend equivalent payments made under this Policy will be made in shares</li><li>• All Performance Share Awards are subject to malus and clawback in the event of a material misstatement of the Company's financial results, gross misconduct, material error in the calculation of performance conditions or other conditions, serious reputational damage, corporate failure, or in such other exceptional circumstances as the Committee sees fit</li><li>• The Committee may exercise malus and clawback until the later of: (i) two years from the vesting date or (ii) the completion of the second audit after vesting</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Performance Share Awards may be granted up to 300 per cent of salary</li><li>• 25 per cent of the award will normally vest for threshold performance, with full vesting for stretch performance. Vesting increases on a straight-line basis between threshold and stretch</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• The Committee will select performance measures and determine their weighting for each cycle to ensure that they continue to be linked to the delivery of Company strategy</li><li>• The Committee retains the discretion to adjust the vesting outcomes in the event that these are not considered reflective of the underlying business performance and/or wider circumstances over the vesting period</li></ul>

#### **CFO Recruitment Award**      **This section relates to a one off award only and does not enable the grant of future awards of this nature**

<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To enable the recruitment of a high quality candidate to the role of CFO to support the execution of the Group's strategy</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• The Committee may grant a one off Conditional Share Award under the LTIP in the form of conditional shares to the CFO shortly after the approval of the Policy</li><li>• This Award will vest based on continued employment on 1 April 2024</li><li>• Shares received will be subject to a minimum two-year Holding Period to 1 April 2026 (on a net of tax basis)</li><li>• Dividend equivalents may accrue on the Award. Dividend equivalent payments made under this Policy will be made in shares</li><li>• The Award is subject to malus and clawback as outlined above under the LTIP section</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• The Award will have the value of £1 million at the date of grant</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Subject to continued employment</li></ul>

## Share ownership

<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>Enhances the Executive Directors' alignment with shareholders' long-term interests while in employment and for a period following departure through the building up of a significant shareholding in the Company</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>The Executive Directors are expected to build up, and maintain, ownership of the Company's shares worth 300 per cent of salary for the CEO and 250 per cent of salary for the other Executive Directors</li><li>Shares owned outright (including by persons closely associated), shares held in the Share Incentive Plan, any unvested share awards which are no longer subject to performance (net of taxes) will normally count towards this requirement</li><li>The Executive Directors are also expected to retain no less than 50 per cent of the net value of shares vesting under the Company's long-term incentive plans until such a time that the share ownership requirement is met</li><li>On cessation of employment, Executive Directors are expected to retain their minimum shareholding requirement immediately prior to departure for two years. Where their shareholding at departure is below the minimum requirement, the Executive Director's actual shareholding is expected to be retained for two years</li><li>Shares acquired from own resources are excluded from the post-cessation shareholding requirement. The Committee retains discretion to exclude other shares from the post-cessation shareholding requirement if it considers it to be appropriate</li><li>The Committee intends to operate an appropriate enforcement mechanism of the post-cessation shareholding requirement. The Committee retains discretion to waive the post-cessation shareholding requirement if it is not considered to be appropriate in the specific circumstances of an Executive Director's departure</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>Not applicable</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>Not applicable</li></ul>

## SUMMARY OF CHANGES TO POLICY

A summary of the material changes to the Policy compared to the 2020 policy is set out below:

<b>Change to the Policy</b>	<b>Reason for change</b>
Increase in annual bonus opportunity from 120 per cent of salary to 200 per cent of salary and increase in LTIP opportunity from 200 per cent of salary to 300 per cent of salary	<ul style="list-style-type: none"><li>Ensures pay is competitive for a global oil and gas company, supporting the recruitment of high calibre international talent to drive the Group's strategy following the Merger</li><li>Reflects the material increase in the size of the Group</li><li>Drives the delivery of strong performance, linked to stretching targets</li></ul>
Provision for a one-time recruitment award to be made to the new Chief Financial Officer	<ul style="list-style-type: none"><li>Supports the recruitment of a high calibre Chief Financial Officer with the necessary global expertise to support the execution of the Group's strategy</li></ul>
Increase in share ownership guideline for the CEO from 250 per cent of salary to 300 per cent (no change for other Executive Directors)	<ul style="list-style-type: none"><li>Shareholding guideline set at a level equal to the annual LTIP opportunity for each Executive Director</li><li>Ensures an appropriate alignment with the long-term interests of shareholders</li></ul>

Other minor changes have been made to the wording of the Policy to aid operation and to increase clarity.

## FURTHER DETAILS ON THE POLICY

### Selection of performance conditions

For the annual bonus, the Committee believes that a mix of financial and non-financial targets is most appropriate for the Group. The use of a corporate scorecard encompassing several performance categories ensures delivery of business milestones in a number of key areas. Performance under the LTIP will typically include a focus on relative stock market out-performance over the long term, in line with common practice in the oil and gas sector, providing a strong indication of the Group's long-term financial growth and the returns delivered to its shareholders.

The Committee retains discretion to amend a performance condition provided that any amended performance condition will be fairer, a more effective incentive and not materially less demanding than the original target was when set.

### Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed (i) before 14 May 2014; (ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes, "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

## APPENDIX 3: DIRECTORS' REMUNERATION POLICY CONTINUED

### Remuneration Policy for other employees

When determining the Policy, the Committee reviewed wider workforce remuneration and incentives to ensure the approach to executive remuneration was compatible in this context. As a result of the Merger, the frameworks in place for legacy Premier Oil plc and Chrysaor employees will be reviewed, to harmonise arrangements where needed and ensure pay continues to appropriately motivate and reward the workforce. The Committee will continue to consider the approach to executive remuneration in this context.

The Company's policy for all employees is to provide remuneration packages which reward them fairly and responsibly for their contributions. In addition to a competitive salary, employees are typically eligible for a performance-related bonus, pension and a number of benefits, including expatriate benefits where relevant. In the UK, employees are eligible to receive at least the same proportion of salary in pension contributions as the Executive Directors, in line with UK best practice. The specific bonus framework varies by job level and scope to ensure annual incentives support motivation and retention accordingly.

The Leadership Team and other senior leaders participate in the same annual bonus plan and long-term incentive plan as for Executive Directors. Performance is assessed on the same criteria for all, though opportunity levels vary as appropriate. These schemes provide a clear link between pay and performance, ensuring that superior remuneration is paid only if superior performance is delivered.

We have historically operated SIP and SAYE share schemes, to foster a sense of ownership in the Company and to increase the alignment of interests across stakeholders. Participation levels among Premier Oil plc employees in these plans has historically been strong, outperforming market norms.

### Incentive plan discretions

The Committee operates the Company's incentive plans according to their respective rules and Remuneration Policy, and in accordance with the Listing Rules and HMRC rules where relevant. The rules of the long-term incentive plan (the 'Harbour 2017 Long Term Incentive Plan') were approved by shareholders at the 2017 AGM and amended at the 2020 AGM. Further proposed amendments are being presented for shareholder approval at the 2021 AGM to reflect the new Policy.

In line with common market practice, the Committee retains discretion as to the operation and administration of these incentive plans, including with respect to:

- who participates;
- the timing of grant and/or payment;
- the size of an award and/or payment and any other terms of the award (within the plan and Policy limits approved by shareholders);
- form of award (e.g. nil cost option or conditional award);
- the manner in which awards are settled;
- the choice of (and adjustment of) performance measures and targets in accordance with the Remuneration Policy and the plan rules;
- in exceptional circumstances, amendment of any performance conditions applying to an award, provided the new performance conditions are considered fair and reasonable and are not materially less challenging than the original performance targets when set;
- discretion relating to the measurement of performance or other condition in the event of a variation of share capital, change of control, special dividend, distribution or any other corporate event which may affect the current or future value of an award;
- determination of a good leaver (in addition to any specified categories) for incentive-plan purposes, based on the plan rules and the appropriate treatment under the plan rules;
- determination of the operation of the post-vesting holding period; and
- adjustments required in certain circumstances (e.g. rights issues, share buybacks, special dividends, other corporate events, etc.).

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration for the relevant year. As appropriate, it might also be the subject of consultation with the Company's major shareholders.

### Minor changes

The Committee may make minor amendments to the Policy set out above (if required for legal, regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without requiring prior shareholder approval for that amendment.

## Illustration of application of the Executive Directors' Remuneration Policy

The performance scenario charts below show the estimated remuneration that could be received by the current Executive Directors for 2021, both in absolute terms and as a proportion of the total package under different performance scenarios. The assumptions underlying each performance scenario are detailed in the table below:

### Remuneration receivable for different performance scenarios

<b>Fixed pay</b>	<ul style="list-style-type: none"> <li>• 2021 salary, as disclosed on page 16 of this AGM circular</li> <li>• Estimated housing benefits of £120,000 for the CEO, £60,000 for the CFO and nil for the President and CEO Europe<sup>1</sup></li> <li>• Pension contribution of 15 per cent of salary</li> </ul>			
	<b>Minimum</b>	<b>On-target</b>	<b>Maximum</b>	<b>Maximum with share price growth</b>
<b>Annual bonus</b>	Nil payout	Payout of 50 per cent of maximum (100 per cent of salary)	Payout of 100 per cent of maximum (200 per cent of salary)	As per maximum
<b>Long-term incentive plan</b>	Nil payout	Performance Share Awards vest at 25 per cent of maximum	Performance Share Awards vest in full (300 per cent of salary for the CEO and 250 per cent of salary for the other Executive Directors)	As per maximum with a 50 per cent share price increase over three years

1 No prior year benefits data is available. Maximum value of housing benefits as disclosed on page 17 of this AGM circular. Other benefits (including tax equalisation for the CEO) are not easily estimated and have been excluded.

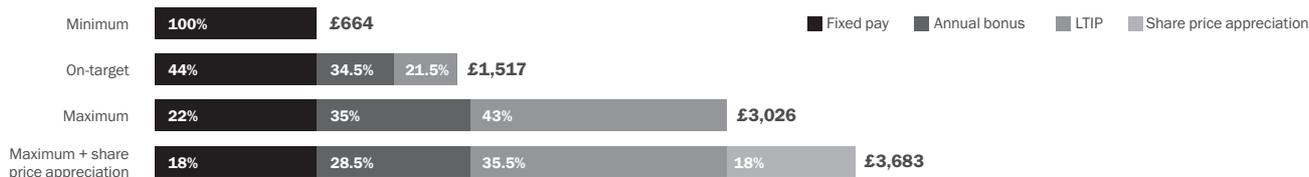
The CFO's recruitment award has not been included in these scenario charts on the basis that it does not form part of the ongoing Policy.

The charts below illustrate the potential reward opportunities for the current Executive Directors for the four performance scenarios:

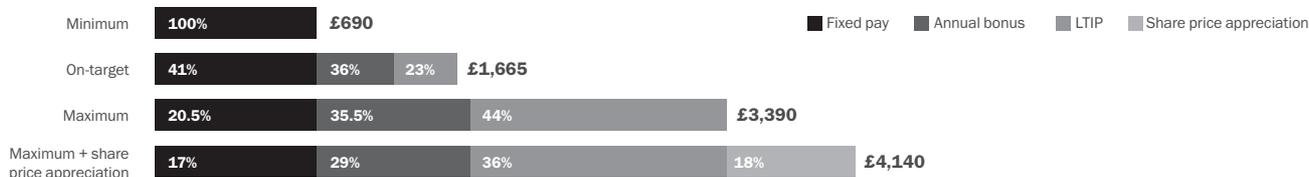
#### Chief Executive Officer (£'000s)



#### Chief Financial Officer (£'000s)



#### President and CEO Europe (£'000s)



#### Notes:

1 The valuation of annual bonus and Performance Share Awards ('PSAs') for the on-target and maximum scenarios excludes share price appreciation, any dividend accrual and the impact of any scale back of awards. PSAs vest after three years subject to TSR performance and continued employment. PSAs are subject to a Holding Period ending on the fifth anniversary of the date of grant of the awards.

## APPENDIX 3: DIRECTORS' REMUNERATION POLICY CONTINUED

### Approach to remuneration of Executive Directors on recruitment

When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre and global experience to lead the business. At the same time, the Committee would intend to pay no more than it believes is necessary to secure the required talent.
- New Executive Directors will normally receive a base salary, benefits and pension contributions in line with the policy described above and would also be eligible to join the bonus and long-term incentive plans up to the limits set out in the Policy.
- In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out below. The key terms and rationale for any such component would be disclosed as appropriate in the Remuneration Report for the relevant year.
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities.
- When determining any such "buyout", the guiding principle would be that awards would generally be on a "like-for-like" basis unless this is considered by the Committee not to be practical or appropriate.
- The maximum level of variable remuneration which may be awarded (excluding any "buyout" awards referred to above) in respect of recruitment is 500 per cent of salary, which is in line with the current maximum limit under the annual bonus and LTIP.
- Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or ongoing payments or benefits). Should an Executive's employment be terminated without cause by the Group, repatriation costs may be met by the Group.
- In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards. If an Executive Director is appointed following an acquisition of, or merger with, another company, legacy terms and conditions that are of higher value than provided in the Policy would normally be honoured.

To facilitate any buyout awards outlined above, the Committee may grant awards to a new Executive Director relying: (i) on the exemption in the Listing Rules which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval; or (ii) under any other appropriate Company incentive plan.

### Service contracts and exit payments and change of control provisions

Executive Director service contracts, including arrangements for early termination, are carefully considered by the Committee and are designed to recruit, retain and motivate Directors of the quality required to manage the Company. The service contract of each Executive Director may be terminated on 12 months' notice in writing by either party. Executive Directors' contracts are available to view at the Company's registered office.

Details of the service contracts of the current Executive Directors are as follows:

Director	Contract date	Unexpired term of contract
Linda Z. Cook	01.04.2021	Rolling contract
Alexander Krane	01.04.2021	Rolling contract
Phil Kirk	01.04.2021	Rolling contract

The Company will consider termination payments in light of the circumstances on a case-by-case basis, taking into account the relevant contractual terms, the circumstances of the termination and any applicable duty to mitigate. In such an event, the remuneration commitments in respect of the Executive Director contracts could amount to one year's remuneration based on salary, benefits in kind and pension rights during the notice period, together with payment in lieu of any accrued but untaken holiday leave, if applicable.

There are provisions for termination with less than 12 months' notice by the Company in certain circumstances. If such circumstances were to arise, the Executive Director concerned would have no claim against the Company for damages or any other remedy in respect of the termination. The Committee would apply general principles of mitigation to any payment made to a departing Executive Director and will honour previous commitments as appropriate, considering each case on an individual basis.

The table below summarises how Performance Share Awards under the Harbour Energy 2017 Long Term Incentive Plan and annual bonus awards are typically treated in different leaver scenarios and on a change of control. Whilst the Committee retains overall discretion on determining 'good leaver' status, it typically defines a 'good leaver' in circumstances such as retirement with agreement of the Company, ill health, disability, death, redundancy, or part of the business in which the individual is employed or engaged ceasing to be a member of the Group.

Event	Timing of vesting/award	Calculation of vesting/payment
<b>Annual bonus/Deferred Bonus Awards</b>		
'Good leaver'	Annual bonus is normally paid at the same time as to continuing employees but may be paid on departure in compassionate circumstances  Unvested Deferred Bonus Awards vest on the normal vesting date (or, at the Committee's discretion, on cessation of employment)  The Committee has discretion not to defer part of the bonus earned in the year of leaving	Annual bonus is paid only to the extent that any performance conditions have been satisfied and is pro-rated for the proportion of the financial year worked before cessation of employment  Unvested Deferred Bonus Awards will vest in full
'Bad leaver'	Not applicable	Individuals lose the right to their annual bonus and unvested Deferred Bonus Awards
Change of control <sup>1</sup>	Annual bonus is paid and unvested Deferred Bonus Awards vest on the date of change of control	Annual bonus is paid only to the extent that any performance conditions have been satisfied, and will normally be pro-rated for the proportion of the financial year worked to the effective date of change of control unless the Committee determines otherwise  Unvested Deferred Bonus Awards will vest in full
<b>Performance Share Awards</b>		
'Good leaver'	Awards vest on the normal vesting date subject to the Holding Period (or earlier at the Committee's discretion)	Unvested awards normally vest to the extent that any performance conditions have been satisfied over the full performance period (or a shorter period at the Committee's discretion)  The number of unvested awards is normally reduced pro-rata to take into account the proportion of the vesting period not served
'Bad leaver'	Unvested awards lapse  Any vested shares subject to the Holding Period are forfeited by bad leavers who leave due to gross misconduct, but remain and are released at the end of the Holding Period for other bad leavers (e.g. following resignation)	N/A
Change of control <sup>1</sup>	Awards vest on the date of the event	Unvested awards normally vest to the extent that any performance conditions have been satisfied and a pro-rata reduction applies for the proportion of the vesting period not completed unless the Committee determines otherwise

**Note:**

<sup>1</sup> In certain circumstances, the Committee may determine that unvested Deferred Bonus Awards and Performance Share Awards will not vest on a change of control but will instead be replaced by an equivalent grant of a new award, as determined by the Committee, in the new company.

The leaver treatment for the CFO's Recruitment Award will be in line with the provisions for the Performance Share Awards outlined above.

Upon exit or change of control, SAYE and SIP awards will be treated in line with the plan rules.

If employment is terminated by the Company, the departing Executive Director may have a legal entitlement (under statute or otherwise) to additional amounts, which would need to be met. In addition, the Committee retains discretion to settle other amounts reasonably due to the Executive Director, for example to meet the legal fees incurred by the Executive Director in connection with the termination of employment, outplacement support, where the Company wishes to enter into a settlement agreement (as provided for below) and, in which case, the individual is required to seek independent legal advice.

In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These will be used sparingly and only entered into where the Committee believes that it is in the best interests of the Company and its shareholders to do so.

## APPENDIX 3: DIRECTORS' REMUNERATION POLICY CONTINUED

### External appointments

Executive Directors are entitled to accept non-executive director appointments outside the Company and retain any fees received providing that the Board's prior approval is obtained.

### Consideration of employment conditions elsewhere in the Company

The Committee engages with the wider workforce by taking account of feedback from employee engagement opportunities such as the Group Staff Forum. The Committee considers the pay and conditions elsewhere in the Company, including how Company-wide pay tracks against the market. When determining salary and pension for Executive Directors, the Committee takes account of salary increases and pension contributions across the Group, particularly for those employees based in the UK. The Committee ensures that our policies and practices across the business are fair and consistent, and support diversity and equality. Further, the Company seeks to promote and maintain good relationships with employee representative bodies – including trade unions – as part of its employee engagement strategy and consults on matters affecting employees and business performance as required in each case by law and regulation in the jurisdictions in which the Company operates.

### Consideration of shareholder views

The Committee aims to ensure that the Policy serves shareholder interests and is aligned with the Group's business strategy, market practice and evolving best practice. The Committee Chair consulted with major shareholders and proxy advisers in developing this Remuneration Policy, and will also from time-to-time engage to discuss the Remuneration Policy more generally. The Committee considers all feedback received from such consultations, as well as guidance from shareholder representative bodies more generally, to help to ensure the Policy is aligned with shareholder views.

### Non-Executive Director Remuneration Policy

Non-Executive Directors have letters of appointment effective for a period of three years, subject to annual re-election by shareholders at each Annual General Meeting ('AGM') in accordance with the UK Corporate Governance Code. All letters of appointment have a notice period of three months and provide for no arrangements under which any Non-Executive Director is entitled to receive remuneration upon the early termination of his or her appointment. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

The Company's Articles of Association provide that the remuneration paid to Non-Executive Directors is to be determined by the Board within limits set by the shareholders. The Policy for the Chairman and Non-Executive Directors is as follows:

#### Non-Executive Director fees

<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"><li>• To provide fees that allow Harbour to attract and retain Non-Executive Directors of the highest calibre that add value to our business</li></ul>
<b>Operation</b>	<ul style="list-style-type: none"><li>• Fees for Non-Executive Directors are normally reviewed at least every two years</li><li>• Fees are set with reference to UK and international oil and gas sector companies and UK-listed companies of a similar size to Harbour</li><li>• Fees paid to the Chairman are determined by the Committee, while the fees of the other Non-Executive Directors are determined by the Board</li><li>• Additional fees may be paid to reflect additional Board or Committee responsibilities as appropriate</li><li>• Fee increases are normally effective 1 January</li><li>• The Non-Executive Director fees are summarised on page 18 of this AGM notice</li><li>• Reasonable costs in relation to travel and accommodation for business purposes are reimbursed to the Chairman and Non-Executive Directors. The Company may meet any tax liabilities that may arise on such expenses</li><li>• A travel allowance may be provided where intercontinental travel is required to attend a meeting</li><li>• The Chairman and Non-Executive Directors are not entitled to participate in any of the Group's incentive plans or pension plans</li><li>• Additional benefits may be provided to Non-Executive Directors if considered appropriate</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Non-Executive Director fees are set at a level that is considered appropriate in the light of relevant market practice and the size/complexity of the role</li><li>• Aggregate fees are within the limit approved by shareholders in the Articles of Association</li></ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"><li>• Not applicable</li></ul>

### Approach to Non-Executive Director recruitment remuneration

In the case of hiring or appointing a new Non-Executive Director, the Committee will follow the Policy as set out in the table above.