

INOCEA UK LIMITED

(the “Company”)

SECTION 172 STATEMENT

Overview of how the Directors performed their duty to promote the success of the Company under section 172 of the Companies Act 2006.

Purpose, strategy and values

The Company was incorporated on 13 July 2015 to empower its subsidiaries to unlock their full potential for the benefit of all stakeholders, whilst providing shareholders with a superior return on their investment. This has been delivered through our investment strategy, whereby we acquired a high quality but underperforming ship and invested heavily to improve its performance and productivity, so that it became a stronger, better business under our responsible stewardship. The Inoce Group’s purpose and strategy is underpinned by the principles and values on which it was founded in 2012. We act with integrity, honesty, transparency and decisiveness, and believe in a lean operating model and high productivity. We invest in the companies we own with the vision of owning them forever. We do not shy away from difficult decisions. We provide the space and resources to empower people to perform and reward them well when they do. These are the principles that lie at the heart of the success of the Company and is the basis on which we strive for more success in the future.

Duty to promote the success of the Company

In executing our strategy, directors must act in accordance with a set of general duties detailed in section 172 of the Companies Act 2006. These general duties include a duty to promote the success of the Company, and specifically to act in a way that the director considers, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, having regard (amongst other matters) to the:-

- likely consequences of any decisions in the long-term;
- interests of the Company’s employees;
- need to foster the Company’s business relationships with suppliers, customers and others;
- impact of the Company’s operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct;
- and
- need to act fairly as between shareholders of the Company.

This statement has been prepared in accordance with the requirements of The Companies (Miscellaneous Reporting) Regulations 2018, which require the Company to describe how the directors have had regard to the matters set out in section 172 of the Companies Act 2006 during the financial year under review. It is noted that the directors have always acted in accordance with such duties in their decision making and they will continue to do so.

The Group operates on a decentralised basis, with the Board having established an organisational structure with clear reporting procedures, lines of responsibility and delegated authority, in line with the Group’s governance framework, which the Board reviews regularly. The Board is ultimately accountable to the Company’s shareholders for setting the Group’s strategy and for overseeing the Group’s financial and operational performance in line with the Company’s strategic objectives, with

implementation of the Group's strategic objectives, as determined and overseen by the Board, delegated to senior management teams, and with day-to-day operational management delegated to the business unit executive teams. The Board cultivates strong relationships with key stakeholders so that it is well placed and sufficiently informed to take their considerations into account when making decisions where appropriate in order to discharge their legal obligations and to pursue the Company's strategic objectives. Our purpose is to create long-term value for stakeholders and in order to do this, we need to understand our stakeholders and what matters to them.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct

The Board recognises that culture, values and standards are key contributors to how a company creates and sustains value over the longer term, and to enable it to maintain a reputation for high standards of business conduct. High standards of business conduct guide and assist in the Board's decision making, and in doing so, help promote the Company's success, recognising, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations. The standards set by the Board mandate certain requirements and behaviours with regards to the activities of the directors, the Group's employees and others associated with the Group. Reflecting the decentralised nature of the Group, responsibility for the adoption of policies, practices and initiatives sits at operations level, including the ethics and compliance policies.

Having regard to the need to act fairly as between shareholders of the Company

The Company has one class of ordinary shares, which have the same rights as regards voting, distributions and on a liquidation. The shareholders are personally known to the Board and on this basis the Board feels that the executive directors are fully aligned with shareholders.

Our Stakeholders

The directors consider that the following groups as the Company's key stakeholders:-

- FFS employees both onshore and our seafarers sailing in MV Asterix
- Our customer, the Government of Canada
- Creditors
- Suppliers
- Community and Environment

The Board seeks to understand the respective interests of such stakeholder groups so that these may be properly considered in the Board's decisions. We do this through various methods, including direct engagement by Board members; receiving reports and updates from members of FFS management who engage with such groups and coverage in our Board papers of relevant stakeholder interests with regard to proposed courses of action.

The Group's governance structure includes accountability to key stakeholders as well as policies and management systems that contribute to efficient and effective operations. Improvements in good corporate governance have been a focus and the Group aims to incorporate best industry standards.

FFS is certified under ISO9001, 14001 and 45001 and these certifications are audited on an annual basis. The Ship is also Green Marine certified, a key accomplishment for a vessel of our type. The Board has oversight responsibilities in preserving and enhancing the Group's long-term value for the stakeholders and oversees the Group's overall performance objectives, key organisational initiatives, financial plans and annual budget, major investments, financial performance reviews, risk management and corporate governance practices.

FFS is rigidly following the International Standard Organisation (“ISO”) and International Safety Management (“ISM”) Code standards. These standards ensure that the Ship is operating safely and efficiently, under the strict international marine rules. Furthermore, in response to the recently enacted IMO Resolution on Maritime Cyber Risk Management, FFS has taken all necessary measures to ensure that MV Asterix is protected from cyber-attack to the maximum extent possible.

In May 2020, the FFS board established the following three committees to ensure that it effectively executes its duties:-

- Risk & Compliance Committee
- Human Resources & Remuneration Committee
- Audit Committee

Additionally, the Asterix board established the following two committees:-

- Risk & Compliance Committee
- Audit Committee

Asterix does not have any employees therefore there was no requirement to establish a HR & Remuneration committee for that company.

The committees are comprised of external industry experts in each relevant field (e.g. risk, compliance, HR, finance) and senior FFS and Asterix executives.

These committees meet on a quarterly basis and consult internal and external subject matter experts on a range of pertinent topics.