

PHOENIX GLOBAL RESOURCES PLC

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Approved by the Board on 17 January 2019 and with effect from 1 January 2019.

REMUNERATION COMMITTEE - TERMS OF REFERENCE

Note: References to “the Committee” shall mean the Remuneration Committee; references to “the Board” shall mean the Board of Directors; references to “the Company” shall mean Phoenix Global Resources plc; references to “the Group” shall mean the Company and its subsidiaries and references to “the Directors” shall mean the Directors of the Company.

The expression “Remuneration” shall include salary, benefits, bonuses, pensions, long term incentives (including share options and share awards) and contract terms and conditions.

1. Purpose

- 1.1 The primary functions of the Committee are to assist the Board in relation to developing and implementing the remuneration policy and practices of the Company for the Chairman, the Executive Directors and senior management. It is the Committee’s responsibility to ensure that the Chairman, Executive Directors and senior management are fairly and appropriately rewarded for their individual contributions to its overall performance having due regard to the financial and commercial position of the Group and statutory and regulatory requirements.
- 1.2 These Terms of Reference have been produced to identify and formalise the roles, task and responsibilities of the Committee having regard to the UK Corporate Governance Code (“Code”) and to assist the Committee in achieving best practice in corporate governance for the Company and the Group as a whole.
- 1.3 The remuneration of the Non-executive Directors shall be a matter for the Board within the limits set out in the Company’s Articles of Association.
- 1.4 No individual shall be involved in any decisions relating to his or her own remuneration.

2. Membership

- 2.1 The Committee is established as a Committee of the Board and shall consist of at least three members, all of whom shall be independent Non-executive Directors. In addition, the Chairman of the Board may serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman. Members of the Committee shall be appointed by the Board on the recommendation of the Nominations Committee in consultation with the Committee Chairman.
- 2.2 The Board shall appoint a Committee Chairman, who shall be an independent Non-executive Director with at least 12 months’ experience of sitting on a remuneration committee. The Chairman of the Board shall not be the Chairman of the Committee.
- 2.3 Appointments to the Committee shall be for an initial period of up to three years extendable by no more than two additional three year periods, provided the Director still meets the criteria for membership of the Committee. The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.
- 2.4 If Executive Directors or senior management are involved in advising or supporting the Committee, that role should be clearly separated from their role within the business and care should be taken to recognise and avoid conflicts of interest.

3. **Secretary**

3.1 The Company Secretary, or their nominee, shall act as the Secretary of the Committee (the "Secretary").

4. **Proceedings**

4.1 Only members of the Committee have the right to be present or vote at Committee meetings. However, other individuals such as the Chief Executive Officer, the Group HR Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

4.2 Meetings and proceedings of the Committee shall be governed by the provisions of the Articles of Association regulating the meetings and proceedings of the Board. Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chairman or any other member of the Committee. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. No member of the Board (or the Committee) shall attend meetings of the Committee where his or her own remuneration is under discussion. Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences.

4.3 Agendas and relevant papers shall be circulated to all members of the Committee by the Secretary and, in whole or in part as appropriate, to other invited attendees in good time in advance of each meeting.

4.4 The Committee shall meet at least twice a year and such other times as the Chairman of the Committee shall require. Meetings should be organised so that attendance is maximised.

5. **Quorum**

5.1 The quorum necessary for the transaction of business shall be two members present in person or by audio or video conference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. **Minutes of meetings and records**

6.1 The Secretary shall minute the proceedings and decisions of all Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised.

6.2 The Secretary should ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee by the Secretary and, once agreed, to all other members of the Board, unless (as determined by the Committee Chairman) it would be inappropriate to do so.

6.4 The Secretary shall keep a record of:

6.4.1 the membership of, and the dates of any changes to the membership of, the Committee; and

6.4.2 any person who, or firm which, provides advice to or otherwise materially assists the Committee on matters relating to directors' remuneration and the nature of any other services provided by that person to the Company during the year.

7. Annual General Meeting

7.1 The Committee Chairman should attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Responsibilities of the Committee

8.1 The Committee shall be responsible for setting a relevant and appropriate remuneration policy (which may be amended from time to time) covering all elements of the remuneration of the Chairman of the Company and senior management of the Group, including the Executive Directors (together the "**Relevant Individuals**"). The senior management for this purpose shall comprise the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Secretary.

8.2 Any decisions made by the Committee relating to the operation or application of the Company's remuneration policy (for example in relation to the exercise of discretion) must be made within the scope and terms of the current policy (if applicable, as approved by ordinary resolution of the shareholders of the Company).

8.3 Subject to paragraph 8.2 above, the Committee shall:

8.3.1 set the remuneration policy applicable to the Relevant Individuals. No Relevant Individual shall be involved in any decisions as to their own remuneration;

8.3.2 in determining the remuneration policy, take into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the Code, institutional shareholder guidelines in relation to directors' remuneration and associated guidance. The objective of such policy shall be to promote the success of the Company without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensuring that Relevant Individuals are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions. The remuneration policy shall be compatible with risk policies and systems applicable to the Company and be aligned to the Company's long-term strategic goals, its purpose, values and culture;

8.3.3 in determining the remuneration policy, review and have regard to workforce remuneration and related policies and employment conditions across the Group, especially when determining annual salary increases;

8.3.4 seek to achieve an appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration and the performance-related elements of senior management's remuneration shall be transparent, stretching and rigorously applied;

8.3.5 regularly review the ongoing appropriateness and relevance of the remuneration policy;

8.3.6 regularly review workforce remuneration and related policies and the alignment of incentives and rewards with culture;

8.3.7 within the terms of the remuneration policy, determine the total individual remuneration package of each Relevant Individual for each year including, where appropriate, eligibility to participate in bonus plans share-based incentive plans, any other performance-related incentive plans and pension arrangements

(having regard to the pension contribution rates and allowances applicable to the wider workforce) which may be introduced or maintained by the Company;

- 8.3.8 having regard to the provisions of the Code, advise on and determine all performance measures and targets for any performance-related incentive plans (including bonus plans) which may be introduced or maintained by the Company in relation to the Executive Directors and senior managers, including the methods for assessing whether performance targets are met, and approve the extent to which such performance measures and targets are met and the resulting award level for Executive Directors and senior managers;
- 8.3.9 review and approve, and put to the Board for approval as necessary, the terms of any share-based incentive plan or other long term incentive scheme that may be introduced or maintained by the Company, including terms in respect of:
- (a) the selection of those eligible Executive Directors and employees of the Company and its subsidiary companies to whom options or awards should be granted;
 - (b) the timing of any grant of options or awards;
 - (c) the numbers of shares over which options or awards are to be granted;
 - (d) the exercise price at which options are to be granted or price at which awards are to be made;
 - (e) the imposition of any objective condition which must be complied with before any option may be exercised or award granted; and
 - (f) the ability to withhold or reclaim sums or awards including in the event of poor performance, misconduct or errors in assessing performance ("malus and clawback"),

and when appropriate or required by applicable laws or regulation, to request the Board to seek shareholder approval of any new share option scheme, share award scheme or other long-term incentive scheme;

- 8.3.10 for any share-based incentive plan or long term incentive plan, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, the Company Secretary and other designated senior executives and their performance targets to be used;
- 8.3.11 monitor and assess any performance conditions applicable to any long term incentive awards granted under any schemes adopted by the Company, ensure that the performance conditions are fully explained and clearly linked to the enhancement of shareholder value and consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders.
- 8.3.12 identify to the Board, for its consideration and final determination, any performance measures or performance targets which are considered commercially sensitive for the purposes of disclosure in any directors' remuneration report (as described in paragraph 9 below);
- 8.3.13 liaise with the Nomination Committee to ensure that the remuneration of any proposed new Executive Director of the Company or senior manager of the Group is in accordance with the Company's remuneration policy and to agree

the terms of appointment and remuneration of such proposed new director or senior manager in co-ordination with the Nomination Committee;

- 8.3.14 approve the terms of the service contracts, pension arrangements and compensation commitments for the Relevant Individuals and any material amendments to those contracts;
- 8.3.15 determine the Company's policy on the duration of contracts with Relevant individuals, notice periods (the duration of which will not normally exceed one year's notice period) and termination payments under Relevant Individuals' contracts, with a view to ensuring that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.3.16 liaise with the Board and make recommendations in relation to any loss of office payments to be made to a departing director or senior manager;
- 8.3.17 agree the policy for authorising claims for expenses for all directors appointed to the Board;
- 8.3.18 be aware of and consider any major changes in remuneration policy or employee benefits structure throughout the Group;
- 8.3.19 approve any directors' remuneration report (as described in paragraph 9 below);
- 8.3.20 work and liaise as necessary with all other Board committees;
- 8.3.21 approve the design of and determine targets for any performance-related pay schemes operated by the Company for Relevant Individuals determine the methods for assessing whether performance conditions are met and approve total annual payments made under schemes; and
- 8.3.22 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting terms of reference for any remuneration consultants who advise the Committee and to obtain reliable up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at remuneration of the Board, but within any budgetary restraints imposed by the Board.

9. Reporting responsibilities

- 9.1 The Committee shall ensure that, to the extent applicable, the Company complies with the requirements for the disclosure of information relating to directors' remuneration, as set out in the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the AIM Rules, the Market Abuse Regulations, the Listing Rules and the Code.
- 9.2 The Committee Chairman shall report formally to the Board on its proceedings after each formal meeting on all matters within its duties and responsibilities.
- 9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

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- 9.4 If required by relevant legislation, the Committee shall compile for approval by the Board, a directors' remuneration report to shareholders on its activities to be included in the Company's Annual Report. Any directors' remuneration report shall include:
- (a) an Annual Statement by the Committee Chairman;
 - (b) a directors' remuneration report setting out payments during the financial year; and
 - (c) the directors' remuneration policy in relation to future payments to the Directors and former directors.
- 9.5 The Annual Report shall include a description of the work of the Committee as required by the Code, which shall be approved by the Committee.
- 9.6 If required by relevant legislation, the Committee shall ensure that procedures are in place to comply with the following requirements:
- 9.6.1 any directors' remuneration report, excluding the directors' remuneration policy, shall be put to shareholders for approval by ordinary resolution as an advisory vote at the Annual General Meeting each year in accordance with the Companies Act 2006; and
 - 9.6.2 the directors' remuneration policy to be put to shareholders for approval by ordinary resolution as a binding vote of shareholders at an Annual General Meeting or other company meeting when required, or when considered necessary or appropriate (for example in order to make a change to the policy) in accordance with the Companies Act 2006.

10. Other matters

The Committee shall:

- 10.1 monitor and review the level and structure of remuneration of senior management in the context of the pay policy of the Group as a whole, pay and conditions elsewhere in the Group, and the overall cost to shareholders;
- 10.2 Keep abreast of external remuneration trends and market conditions including receiving an annual presentation from its external remuneration consultants;
- 10.3 exercise any discretion or judgement on remuneration issues in accordance with the remuneration policy;
- 10.4 consider such other matters as are referred to the Committee by the Board;
- 10.5 work and liaise as necessary with all other Board committees;
- 10.6 have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required;
- 10.7 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.8 give due consideration to laws, regulations and institutional investor guidelines including, but not limited to, (to the extent applicable) the provisions of the Code, the requirements of the AIM Rules, the UK Listing Authority's Listing Rules and Disclosure and Transparency Rules, the Market Abuse Regulation, and any published guidelines or recommendations from shareholders and representative bodies regarding the remuneration of directors of listed companies including the formation and operation of long term incentive schemes and share award schemes, which the Committee considers relevant or appropriate;

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- 10.9 on an annual basis, review and, if necessary, update its own Terms of Reference requesting Board approval for all proposed changes;
 - 10.10 on an annual basis, review its membership, evaluate its own performance against its Terms of Reference and best practice, using external evaluators where appropriate, to ensure it is operating at maximum effectiveness, and report the results of this review to the Board and recommend any changes it considers necessary;
 - 10.11 ensure that these Terms of Reference are made available on the Company's website in accordance with the Code; and
 - 10.12 ensure that the Company maintains a dialogue with its main shareholders about the remuneration of Executive Directors and senior management and the work of the Committee.
11. **Authority**
- 11.1 The Committee is authorised by the Board (subject only to any specific limit or restraint which may be imposed from time to time by the Board) in the performance of its duties to:
 - 11.1.1 investigate any activity within its Terms of Reference;
 - 11.1.2 seek any information that it requires from any employee or Director;
 - 11.1.3 have unrestricted access to the Company's documents and information;
 - 11.1.4 obtain outside legal or other independent professional advice (including the advice of external remuneration consultants) at the Company's expense as necessary on any matters within its Terms of Reference;
 - 11.1.5 appoint external remuneration consultants, and set their terms of reference, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties at the Company's expense and at all times within budgetary restraints imposed by the Board;
 - 11.1.6 secure the attendance of employees or external advisers at its meetings if it considers this appropriate; and
 - 11.1.7 delegate any of its powers to one or more of its members or the Secretary.
 - 11.2 These Terms of Reference may be amended from time to time by the Board.