

SERINUS ENERGY PLC (the “Company”)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

Adopted by the Board pursuant to a meeting held on 3 May 2018

References to “the Committee” shall mean the Remuneration Committee.

References to “the Board” shall mean the board of directors of the Company.

In keeping with the principles of good corporate governance, the Board has established the Committee and adopted the terms of reference (the “**Terms of Reference**”) below for the Committee that comply with the guidelines set out in the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies (the “**QCA Code**”) in light of the Company’s intention to become an AIM Company (as defined within the AIM Rules for Companies (the “**AIM Rules**”) published, from time to time by the London Stock Exchange plc. Pursuant to the Terms of Reference below, the Board has established formal and transparent arrangements for the consideration, development and implementation of policy on executive remuneration and fixing remuneration packages of individual directors, so that no director shall be involved in deciding his or her own remuneration.

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least three (3) members, all of whom shall be independent (within the meaning of National Instrument 52-110 *Audit Committees*).
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisers may be invited to attend all or part of any Committee meeting as and when appropriate and necessary
- 1.3 The Board at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company shall appoint the members of the Committee for the ensuing year. If the Board shall fail to do so, persons who are members of the Committee immediately preceding the most recent annual general meeting of the shareholders of the Company, provided they continue to be directors of the Company and remain qualified to serve on the Committee, shall be deemed to be reappointed to the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 1.4 The Board shall appoint the Chairman of the Committee (the “**Chairman**”). In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of



themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

- 1.5 No member of the Board (or of the Committee) shall attend meetings of the Committee where his or her own remuneration arrangements are determined.

2. Secretary

- 2.1 The Company Secretary (or a nominee appointed by the Company Secretary) shall act as the Secretary of the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business by the Committee shall be two (2) 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.

4. Voting Arrangements

- 4.1 Each member of the Committee shall have one vote which may be cast on matters considered at Committee meetings. Votes can only be cast by members attending a Committee meeting, whether in person or by audio or video conference.
- 4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote on the matter at the Committee meeting.
- 4.3 Save where he has a personal interest, the Chairman of the Committee will have a casting vote.

5. Frequency of Meetings

- 5.1 The Committee shall meet at least once a year, and at such other times as the Chairman of the Committee shall require.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than [five (5)] working days before the date



of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

- 6.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.
- 6.4 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 6.5 Except where he has a personal interest, the Committee chairman shall have a casting vote.
- 6.6 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7. Minutes of meeting

- 7.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised.
- 7.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists or if, in the opinion of the Chairman of the Committee, it would be inappropriate to do so.

8. Annual General Meeting

- 8.1 The Chairman of the Committee shall attend the Company's Annual General Meeting ("**AGM**") prepared to respond to any shareholder questions on the Committee's activities.

9. Duties

- 9.1 Members of the Committee should carry out the duties below for the Company and the group as a whole, as appropriate.
- 9.2 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a way it considers in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, the Committee must have regard (among other matters) to:

- (a) the likely consequences of any decision in the long term;



- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high stands of business conduct; and
- (f) the need to act fairly as between the shareholders of the Company.

10. Remuneration Framework and Board Policy

10.1 The Committee shall:

- (a) determine and agree with the Board the framework or broad policy for the remuneration, pension rights and compensation payments of the Chairman of the Board, the executive directors and such other members of the executive management as it is designated by the Board to consider. The remuneration of non-executive directors shall be a matter for the Board or the shareholders (within the limits set in the articles of association). No director or senior manager shall be involved in any decisions as to their own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management;
- (b) in determining such policy, shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of the QCA Code and associated guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the Company without paying more than necessary. The remuneration policy should bear in mind the Company's appetite for risk and be aligned to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Company;
- (c) review the ongoing appropriateness and relevance of the remuneration policy;
- (d) approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- (e) review the design of all share incentive plans for approval by the Board and shareholders;



- (f) determine each year whether awards will be made under the share incentive plans, and if so:
 - (i) the overall amount of such awards;
 - (ii) the individual awards to executive directors and other senior executives; and
 - (iii) the performance targets to be used;
- (g) determine the policy for, and scope of, pension arrangements for each executive director and other senior executives ;
- (h) in consultation with the Board, perform an annual performance review of the Chief Executive Officer (“**CEO**”) and review and provide recommendations to the Board on the compensation of the CEO;
- (i) make recommendations to the Board on the total individual remuneration package of each director and non-CEO executives including bonuses, incentive payments and share options or other share awards;
- (j) give due regard to any relevant legal and regulatory requirements, the provisions and recommendations in the QCA Code, the AIM Rules and associated guidance;
- (k) oversee any major changes in employee benefits structures throughout the Company or the group;
- (l) work closely with the Company’s Nomination Committee in relation to the remuneration to be offered to any new executive director; and
- (m) agree the policy for authorising claims for expenses from the Chairman of the Board, Chief Executive of the Company or any other executive director;
- (n) ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- (o) work with the Company's Audit Committee in evaluating performance criteria;
- (p) use a consistent approach to performance measurement;
- (q) have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations;



- (r) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the Terms of Reference for any remuneration consultants who advise the Committee;
- (s) review compensation disclosure before the Company publicly discloses this information; and
- (t) through the [Chairman of the Board/Chief Executive Officer of the Company], ensure that the Company maintains contact as required with its principal shareholders about remuneration.

11. Monitoring and review

11.1 The Committee shall:

- (a) ensure 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;
- (b) review and note annually the remuneration trends across the Company or the group;
- (c) if required, undertake a benchmarking exercise to compare the relevant persons against a peer group; and
- (d) obtain reliable, up-to-date information about remuneration in other companies.

12. Reporting responsibilities

12.1 The Chairman of the Committee shall report formally to the Board on its proceedings of the Committee, after each Committee meeting, on all matters within its duties and responsibilities.

12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12.3 The Committee shall produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure that each year such report is put to shareholders for approval at the AGM. If the Committee has appointed remuneration consultants, the annual report of the Company should identify such consultants and state whether they have any other connection with the Company.

13. Other

13.1 The Committee shall make available to shareholders these Terms of Reference by placing them on the Company's website.



- 13.2 If the Company appoints remuneration consultants to advise it, the annual report shall identify such consultants and the Committee shall make available a statement of whether or not such remuneration consultants have any other connection with the Company.
- 13.3 The Committee shall give due consideration to applicable laws and regulations and the requirements of the AIM Rules and formation and operation of share schemes, as appropriate.
- 13.4 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 13.5 The Committee shall consider such other matters as may be requested by the Board and work and liaise as necessary with all other board committees.
- 13.6 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

14. Authority

- 14.1 The Committee is authorised to:
 - (a) examine any activity within its terms of reference;
 - (b) seek any information it requires from any member of the Board and/or any employee of the Company in order to perform its duties;
 - (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
 - (d) within any budgetary restraints imposed by the Board, appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.