



Genel Energy PLC (the *Company*)

**REMUNERATION COMMITTEE - TERMS OF REFERENCE
adopted by the Board on 4 December 2019**

1. BACKGROUND

The board of directors of the Company (the ***Board***) has resolved to establish a remuneration committee (the ***Committee***). These terms of reference replace any previous terms of reference for any remuneration committee of the Board.

2. DUTIES OF THE COMMITTEE

2.1 The duties of the Committee shall be:

- (a) to determine the remuneration policy for the remuneration of the Chairman of the Board, the Executive Directors and senior management of the Company as the Board may determine from time to time (but always including the first layer of management below the Board and the Company Secretary) (the ***Executive Group***) (for the avoidance of doubt, the remuneration of non-executive directors shall be a matter for the Chairman of the Board and the executive members of the Board);
- (b) to take into account all factors deemed necessary, including relevant legal and regulatory requirements, when determining the remuneration policy, the objective of which shall be to ensure that the Executive Directors and members of the Executive Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- (c) when setting the remuneration policy for Executive Directors, to review and have regard to workforce remuneration and related policies, and the alignment of incentives and rewards with culture across the Company and its subsidiaries (collectively, the ***Group***);
- (d) to review workforce policies and practices to ensure they are consistent with the Company's values and support the long-term sustainable success of the Company. Policies and practices to be reviewed include but are not limited to: recruitment and retention, promotion and development, performance management, training and development and flexible working;
- (e) to provide feedback to the Board on workforce remuneration, incentives and conditions to support monitoring of whether the Company's policies and practices support its culture and strategy;
- (f) to recommend the remuneration policy to be laid before shareholders for approval every three years;
- (g) to review the ongoing appropriateness and relevance of the shareholder approved remuneration policy;

- (h) within the terms of the shareholder approved policy and in consultation with the Chairman of the Board and/or Chief Executive Officer, as appropriate, to consider, determine and approve all elements of the remuneration of the Executive Directors and Executive Group, namely:
 - (i) base salary (the Committee shall also consider the pension consequences (if any) of basic salary increases);
 - (ii) bonuses and performance-related payments (including any profit-sharing schemes);
 - (iii) discretionary payments;
 - (iv) pension contributions (if any);
 - (v) benefits in kind; and
 - (vi) individual awards under the equity incentive plans;
- (i) in respect of any element of remuneration of the Executive Directors and Executive Group which is performance-related, to formulate suitable performance-related criteria and monitor their operation;
- (j) to review and administer all aspects of any equity incentive plan operated by or to be established by the Company including but not limited to (subject always to the rules of that scheme and any applicable legal and stock exchange requirements):
 - (i) the selection of those eligible employees of the Company and its subsidiary companies to whom options or awards should be granted;
 - (ii) the timing of any grant;
 - (iii) the numbers of shares over which options or awards are to be granted;
 - (iv) the exercise price at which options or awards are to be granted; and
 - (v) the imposition of any objective condition which must be complied with before any option or award may be exercised;
- (k) to ensure that remuneration schemes and policies enable the use of discretion to override formulaic outturns, and exercise independent judgment and discretion when authorising remuneration outcomes, taking into account Company and individual performance, and wider circumstances;
- (l) to determine the policy for, and scope of, pension arrangements, if any, which may be put in place for each Executive Director and the Executive Group;
- (m) to consider and determine other provisions of the service agreements of the Executive Directors and Executive Group (in particular the term, any notice period and compensation commitment on early termination) and to 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;

- (n) once a decision to dismiss and/or terminate the employment of an Executive Director or a member of the Executive Group has been taken by the Board, to approve any payment to, and/or any non-cash benefit to be provided to, or for the benefit of, such Executive Director or member of the Executive Group and any other terms and conditions to apply on termination of that person's employment;
- (o) to determine and approve any policy the Company may operate in relation to share retention, post-employment shareholding and directors shareholding guidelines;
- (p) to agree the policy for authorising claims for expenses from the Chairman of the Board and the Executive Directors;
- (q) to be aware of and advise the Board on any major changes in employee benefit structures throughout the Group;
- (r) to have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes (in particular the principles and provisions of the UK Corporate Governance Code and guidelines published by the Investment Association and the Pensions and Lifetime Savings Association and any other applicable rules which the Committee considers relevant or appropriate);
- (s) to ensure that provisions regarding disclosure of information, including pensions, as set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations and the UK Corporate Governance Code, are fulfilled and to produce a remuneration report of the Company's remuneration policy and how the policy had been implemented during the year which will form part of the Company's annual report;
- (t) to consider and make recommendations to the Board concerning disclosure of details of remuneration packages and structures in addition to those required by law or by the UK Listing Authority or the London Stock Exchange;
- (u) to obtain reliable, up-to-date information about remuneration in other companies at appropriate intervals;
- (v) to be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference and engagement terms for any remuneration consultants who advise the Committee, and considering any other connection that they may have with the Group; and
- (w) to consider any other matters as may be requested by the Board.

2.2 In relation to the above, the Committee may consider, as appropriate, relevant published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company.

2.3 The duties of the Committee do not include decisions to employ or dismiss Executive Directors or members of the Executive Group. The Committee does not have responsibility for nominations to the Board.

3. COMPOSITION

- 3.1 The Committee shall be made up of at least two members, all of whom shall be independent non-executive directors, appointed by the Board. Any member who is determined by the Board no longer to be independent shall cease to be a member of the Committee.
- 3.2 The Board shall appoint one member of the Committee to act as the chairman of the Committee (the *Committee Chairman*). Before appointment as Committee Chairman, the appointee will normally have served on a remuneration committee for at least twelve months. 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 Committee Chairman, deputy or person elected under this paragraph 3.2 shall have a casting vote.
- 3.3 The Chairman of the Board may also serve as an additional member of, but not chair, the Committee, provided he or she was considered independent on appointment.
- 3.4 Only members of the Committee have the right to attend Committee meetings. However other individuals may be invited to attend all or part of any meeting as and when appropriate and necessary, but no individual shall be involved in any discussion as to their own remuneration.
- 3.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the director continues to meet the criteria for membership.

4. QUORUM

- 4.1 The quorum necessary for the transaction of business shall be two members.
- 4.2 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.

5. MEETING ADMINISTRATION

- 5.1 The Committee shall meet at least twice a year at the times as may be agreed by the members and at such other times as determined by the Committee Chairman.
- 5.2 Meetings of the Committee shall be called by the secretary of the Committee (the Committee Secretary) at the request of the Committee Chairman.
- 5.3 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting unless otherwise agreed. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

6. COMMITTEE SECRETARY

- 6.1 The Company Secretary or such person as the Company Secretary nominates shall act as the Committee Secretary.
- 6.2 The Committee Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.3 The Committee Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.4 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, minutes should be circulated to all members of the Board, unless a conflict of interest has been identified.

7. COMMITTEE EFFECTIVENESS

- 7.1 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. This can be satisfied by participation in any wider Board evaluation process.

8. REPORTING RESPONSIBILITIES

- 8.1 The Committee Chairman shall report to the Board on its proceedings after each meeting of the Committee to elaborate on any issues arising, or with regards to other matters within its duties and responsibilities.
- 8.2 The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed or desirable.
- 8.3 The Committee shall make a statement in the Company's annual report about its activities on all matters that the Committee Chair deems appropriate.
- 8.4 The Committee Chairman shall attend the Annual General Meeting prepared to respond to any questions on the Committee's activities.

9. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to laws and regulations, the requirements and provisions of the UK Corporate Governance Code, the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, and any other applicable rules as appropriate; and

- (d) oversee any investigation of activities which are within its terms of reference.

10. AUTHORITY

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that it requires from any Group employee or external provider in order to perform its duties;
- (c) call any employee and/or other representative of a service provider to be questioned at a meeting as and when required;
- (d) obtain at the Company's expense, outside legal or other professional advice in pursuance of its duties (and persons providing such professional advice shall be permitted to attend meetings of the Committee at the invitation of the Chairman, but shall not be members of it);
- (e) delegate any of its powers to one or more of its members; and
- (f) delegate the authority to implement any of its decisions to one or more of its members, one or more members of the Board, or the Company Secretary.