

**Ascent Resources plc**

**Remuneration Committee**

**Terms of Reference**

**Approved on 18 November 2020**

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**Ascent Resources plc (the ‘Company’)**

**Remuneration Committee**

**(the ‘Committee’)**

**Terms of Reference**

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**1. CONSTITUTION**

- 1.1 The Remuneration committee (the “Committee”) is constituted as a committee of the Board of Ascent Resources plc ( the “Board”).
- 1.2 The Committee’s terms of reference may be amended at any time by the Board.
- 1.3 The Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

**2. MEMBERSHIP**

- 2.1 Members of the Committee shall be appointed by the Board on the recommendation of the other members of the Committee if appropriate.
- 2.2 The Committee must comprise a minimum of two members from amongst the non-executive Directors of the Company.
- 2.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods, provided the director still meets the criteria for membership of the committee.

**3. CHAIRMAN**

- 3.1 The Board shall appoint the Chairman of the Committee.

**4. SECRETARY**

- 4.1 The Company Secretary shall be the secretary of the Committee. The secretary of the Committee shall attend meetings of the Committee to take minutes.

## **5. NOTICES OF MEETINGS**

- 5.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.
- 5.2 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 to any other person required to attend within a reasonable time prior to the date of the meeting. Any member of the Committee shall be entitled, by notice to the secretary of the Committee, to include other matters relevant to the functions of the Committee in the agenda of a Committee meeting.

## **6. QUORUM**

- 6.1 The quorum necessary for the transaction of business of the Committee shall be two members.

## **7. FREQUENCY OF MEETINGS**

- 7.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Any member of the Committee may request a meeting if he/she considers that one is necessary.

## **8. ATTENDANCE AT MEETINGS**

- 8.1 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication.
- 8.2 Apart from the members of the Committee, the Chairman, the CEO and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

## **9. MINUTES OF MEETINGS**

- 9.1 The secretary of the Committee in attendance at the meetings of the Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance.
- 9.2 Draft minutes of Committee meetings shall be agreed with the Committee chairman and then circulated promptly to all members of the Committee.

## **10. ANNUAL GENERAL MEETING**

- 10.1 The Committee chairman should attend the annual general meeting of the Company to answer shareholder questions on the Committees activities.

## **11. DUTIES**

The Committee shall be responsible for:

- 11.1.1 Preparing a three year plan for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executive Director(s), the Chairman (where executive) and such other members of the Executive Management as it is designated to consider. The objective of such policy shall be to ensure that members of the Executive Management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company. No director or manager shall be involved in any decisions as to their own remuneration;
- 11.1.2 Recommending annually for all Executive Directors, and senior managers to include;
- i) remuneration;
  - ii) the level and structure of remuneration;
  - iii) the policy for and scope of pension arrangements;
  - iv) the design of, and determine targets for, any performance related pay schemes operated by the Company and recommend approval of the total annual payments made under such schemes;
  - v) long term incentive plans designed to retain personnel, and aligns with the interests of shareholder;
  - vi) put in place key performance indicators to reflect the rewards recommended above and objectively measure those corporate and personal goals on a semiannual basis;
  - vii) reviewing the recommendations to ensure that reviewing remains competitive in the marketplace.
- 11.1.3 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;
- 11.1.4 Recommend any major changes in employee benefit structures throughout the Group;
- 11.1.5 Recommending the policy for authorising claims for expenses from the Executive Director(s) and the Chairman;
- 11.1.6 Ensuring that provisions regarding disclosure of remuneration, including pensions, as set out in the

Directors' Remuneration Report, are fulfilled;

- 11.1.7 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, recommend each year whether awards will be made, and if so, the overall amounts of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;
- 11.1.8 The Chairman of the Committee shall report formally on proceedings after each meeting on all matters within its duties and responsibilities to the Board;
- 11.1.9 In connection with its duties, the Committee is authorised by the Board, at the Company's expense to obtain any outside legal or other professional advice within any budgetary constraints imposed by the Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

## **12. AUTHORITY**

- 12.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.2 The Committee adheres to strict policies on confidentiality and will only disseminate material outside the Board on a need to know basis.

**Adopted by the Board on 18 November 2020**