



**Hurricane Energy Plc (the “Company”)**

## Remuneration Committee Terms of Reference

Terms of Reference for the Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company constituted pursuant to Article 92 of the Company's Articles of Association by a Resolution of the Board passed on 20 January 2011, and as reviewed/amended and adopted by the Board on 15 January 2018 and on 25 March 2019.

### **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. Whilst the Company remains a small company as defined in the UK Corporate Governance Code the Committee shall be made up of at least 2 members.
- 1.2. All members of the Committee shall be independent non-executive directors.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, any other Directors, any relevant senior member of staff and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.4. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director still meets the criteria for membership of the Committee. The Chairman of the Board shall not be the Committee Chairman but may be a member of the Committee.
- 1.5. The Board shall appoint the Committee Chairman who shall be an independent non-executive director. 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.
- 1.6. The Committee Chairman shall have served on a remuneration committee for at least a year before being appointed as Committee Chairman.

### **2. Secretary**

- 2.1. The Company Secretary, his or her nominee, or a person appointed by the Committee Chairman, shall act as the Secretary of the Committee.

### **3. Quorum and voting**

- 3.1. The quorum necessary for the transaction of business shall be 2 members. 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.

- 3.2. In the event of an equality of votes the Committee Chairman shall have a second or casting vote.

#### **4. Frequency of meetings**

- 4.1. The Committee shall meet at least twice a year at appropriate times in the reporting and audit cycle and at such other times as the Committee Chairman shall require. Meetings may be held by telephone.

#### **5. Notice 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, any other person required to attend, no later than 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. Minutes of meetings**

- 6.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.
- 6.2. 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.

#### **7. Annual General Meeting**

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

#### **8. Duties**

The Committee shall

- 8.1. determine and agree with the Board the framework or broad policy for the remuneration of the company's Chief Executive, Chairman, the executive directors, the Company Secretary and senior management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration.
- 8.2. in determining such policy, take into account all factors which it deems necessary. 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 responsible manner, rewarded for their individual contributions which support strategy and promote long term sustainable success of the Company, having regard to views of shareholders and other major stakeholders.
- 8.3. review the ongoing appropriateness and relevance of the remuneration policy including workforce policies and practices, ensuring that all company incentives and rewards are aligned with the Company's culture.
- 8.4. 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.

- 8.5. review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.
- 8.6. determine the policy for, and scope of, pension arrangements for each executive director and other senior executives.  
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 recognized.
- 8.7. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other senior executives including bonuses, incentive payments and share options or other share awards.
- 8.8. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code (the 2018 Code) and the UK Listing Authority's Listing Rules and associated guidance.
- 8.9. review and note annually the remuneration trends across the company or group.
- 8.11. oversee any major changes in employee benefits structures throughout the company or group.
- 8.12. agree the policy for authorising claims for expenses from the directors.
- 8.13. ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled.
- 8.14. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 8.15. obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

## **9. Reporting responsibilities**

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall consider and ensure that all necessary provisions regarding the disclosure of information on remuneration including pensions are fulfilled and produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report.
- 9.4. Through the Chairman of the Board the Committee will ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## **10. Other**

10.1. 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.

10.2. The Committee shall have access to sufficient resources in order to carry out its duties.

10.3. All Committee Members will be provided with the appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

## **11. Authority**

11.1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

11.2. In connection with its duties the Committee is authorised by the Board, at the company's expense:-

11.2.1. to obtain any outside legal or other professional advice; and

11.3. within any budgetary restraints 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.