

ECORA RESOURCES PLC

REMUNERATION COMMITTEE (the “Committee”)

TERMS OF REFERENCE

Adopted by the Board of Ecora Resources PLC (the “Company”) on 24 March 2020

1. Purpose

The objective of the Committee is to assist the Board to fulfil its oversight responsibility to shareholders to ensure remuneration policies and practices are designed to support strategy and promote long-term sustainable success; to ensure executive remuneration is aligned to Company purpose and values, and clearly linked to the successful delivery of the Group’s long-term strategy; and establish a formal and transparent procedure for developing policies on executive remuneration and determining director and senior management remuneration.

2. Scope

The Committee shall be responsible for overseeing:

- (a) remuneration policies, including long and short-term incentives;
- (b) the Group’s policies regarding pension arrangements and other benefits; and
- (c) the engagement and independence of external remuneration advisers.

3. Membership and Appointment

- 3.1 The Committee shall comprise at least three independent non-executive directors.
- 3.2 The Chair of the Board may be a member of, but not chair, the Committee if he or she was considered independent upon appointment.
- 3.3 Appointments to the Committee shall be made by the Board on the recommendation of the Nomination Committee, in consultation with the Committee Chair.
- 3.4 Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members (other than the Chairman of the Board, if he or she is a member of the Committee) continue to be independent.
- 3.5 The Committee Chair shall be an independent non-executive director appointed by the Board, on the recommendation of the Nomination Committee. Before appointment as Chair of the Committee, the appointee should have served on a remuneration committee for at least 12 months. In the Committee Chair’s temporary absence, one of the other Committee members, either nominated by the Committee Chair or elected by the Committee, shall act as Committee Chair.

3.6 Non-executive directors should have sufficient skill and experience to manage the remuneration setting process.

3.7 Only members of the Committee shall have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

4. Secretary

4.1 The Company Secretary, or a nominee, shall be the Secretary of the Committee.

5. Quorum

5.1 A quorum of the Committee shall comprise any two Committee members.

5.2 Members of the Committee may attend in person or participate by other means, including teleconference or video conference.

6. Meetings

6.1 The Committee shall meet not less than twice a year, and at other such times as any member, or the Secretary of the Committee, shall require.

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

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

6.4 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

7. Notice of Meetings

7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be circulated to each member of the Committee. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time, unless the Committee Chair, determines that it would be inappropriate for any one or more of the other attendees to receive them.

7.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

8. Reporting Procedures

- 8.1 The Committee Chair shall report to the Board after each meeting on the matters discussed and the minutes of each Committee meeting shall be received by the full Board (unless in the opinion of the Committee Chair it would be inappropriate to do so).
- 8.2 The Committee shall report to the Board on its work in discharging its responsibilities during the year and the outcomes of its formal evaluation and provide a summary report on these matters for inclusion in the Company's remuneration report.
- 8.3 The Committee shall report to the Board on workforce reward, incentives and conditions, and support the Board's monitoring of the alignment of Company policies and practices with culture and strategy.
- 8.4 The Committee shall ensure that, through the Chairman of the Board, the Company maintains contact, and the Committee Chair seeks engagement, as required with the Company's principal shareholders on significant matters related to the Committee's areas of responsibility.
- 8.5 The Committee Chair (or another Committee member nominated by the Committee Chair) shall attend the annual general meeting of the Company to respond to any shareholder questions on the Committee's activities or the remuneration report.
- 8.6 The Committee shall produce an annual report of the Company's remuneration policy and practices which shall form part of the Company's annual report. The report shall include:
 - a) an explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics;
 - b) reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;
 - c) a description, with examples, of how the remuneration committee has addressed the objectives in paragraph 4 in the appendix to these terms of reference;
 - d) a description of whether the remuneration policies operated as intended in terms of Company performance and quantum, and, if not, what changes are necessary;
 - e) a description of what engagement has taken place with shareholders and the impact this has had on remuneration policies and outcomes;
 - f) a description of what engagement with the workforce has taken place to explain how executive remuneration aligns with wider Company pay policies;
 - g) a description of the extent to which discretion has been applied to remuneration outcomes and the reasons why; and

h) where a remuneration consultant is appointed, the name of the consultant alongside a statement about any other connection it has with the Company or individual directors.

8.7 The Committee has the right to publish in the annual report details of any issues that cannot be resolved between the Committee and the Board.

9. Delegation

9.1 The Committee has the delegated authority of the Board in respect of the functions and powers in these terms of reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.

9.2 Where appropriate to ensure the ongoing operating efficiency of the Committee, the Committee may delegate responsibility to the Committee Chair to execute decisions on its behalf. In these instances, the Committee Chair would, where appropriate solicit the views of fellow Committee members.

10. Resources

10.1 The Committee has full authority and resources to investigate all matters falling within its terms of reference and accordingly, the Committee may:

(a) obtain, at the Group's expense, any external independent professional or expert advice, as it considers necessary in connection with its purpose and, if required, secure the attendance of such advisors at its meetings;

(b) have such direct access to the Group's resources as it may reasonably require including access to management; and

(c) oversee the provision of an induction programme following the appointment of members and determine the ongoing training and development of its members, taking into account individual requirements.

11. Review and Evaluation

The Committee shall undertake a formal annual review of its performance, including the role and responsibilities of the Committee, its organisation and effectiveness and the qualifications of its members. This shall include a review of these terms of reference.

Appendix - Committee Responsibilities

1. Determining the policy for executive director remuneration and benefits (including pension rights and compensation payments) and setting remuneration for the executive directors and senior management (the “**Executive Group**”) and Chairman of the Board. The framework and policies should support strategy and promote long-term sustainable success. Executive remuneration should be aligned to the Company purpose and values, and be clearly linked to the successful delivery of the Company’s long-term strategy.
2. For the avoidance of doubt, the remuneration of non-executive directors shall be determined in accordance with the Articles of Association, or, alternatively, by the Board.
3. No member of the Executive Group or Chairman shall be involved in any decision as to their own remuneration.
4. When determining policy and practices in relation to the Executive Group, to address the following objectives:
 - a) that remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
 - b) that remuneration arrangements should avoid complexity and their rationale and operation should be easy to understand;
 - c) that remuneration arrangements should ensure that the following risks are identified and mitigated: reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans;
 - d) that the range of possible values of rewards to individuals, and any other limits or discretions, should be identified and explained at the time of approving the policy;
 - e) that there should be a clear link between individual awards, the delivery of strategy and the long-term performance of the Company and outcomes should not reward poor performance; and
 - f) that incentive schemes should drive behaviours consistent with the Company’s risk policies and system, purpose, values and strategy and promote long-term sustainable success.
5. Review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.
6. In determining the remuneration framework and policies, exercise independent judgment and discretion, taking account of Company and individual performance and wider circumstances.
7. In respect of workforce remuneration and related policies the Committee shall engage with the workforce, at least annually, to explain how decisions of executive pay reflect the wider company pay policy.

8. Exercise any discretion to override formulaic outcomes from incentive arrangements, including but not limited to, where these are inconsistent with company performance or the experience of shareholders (either positively or negatively), and to recover and/or withhold an unlimited portion of awards in circumstances where the Committee deem this to be appropriate.
9. Ensure that provisions regarding disclosure of information are fulfilled and produce a Remuneration Report for the Company in line with applicable laws and regulations, which is included in the annual report and, where relevant, put to shareholders for approval at the annual general meeting.
10. Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors (and senior management) of listed companies and formation and operation of share schemes including but not limited to the provision of the applicable laws, regulations and, where appropriate, guidelines as well as guidelines published by the significant investor bodies and shareholder groups as appropriate.
8. Review and approve the terms of service upon appointment and any subsequent changes, including the total individual remuneration package, for:
 - a) the Chairman of the Board;
 - b) each member of the Executive Group; and
 - c) any other employee if, in the opinion of the Committee, it is appropriate.

No individual should be involved in deciding their own remuneration outcome.

9. Review the on-going appropriateness and relevance of the Remuneration Policy and consult with significant shareholders, as appropriate, on the policy or any other aspects of remuneration.
10. Review and approve the policy for, and scope of, the pension arrangements for the Executive Group, including considering pension contribution rates when compared with workforce arrangements and that only basic salary should be pensionable.
11. Approve the terms of the service contracts for the Executive Group and any material amendments to those contracts.
12. Ensure employment conditions in the Group generally and Management's approach to succession planning are taken into consideration in determining the remuneration policies and levels for the Executive Group.
13. Determine contractual notice periods and termination commitments and approve any retention and termination arrangements for the Executive Group and any other employee if, in the opinion of the Committee, it is appropriate.
14. Determine the status of any leaver as "good leaver" or "bad leaver" for the Executive Group and all other employees.

15. Ensure that contractual terms on termination, and any consequent payments made to the Executive Group are fair to the individual and the Group and consistent with the remuneration policy.
16. Approve the use of short and long-term incentive plans for the Executive Group and all other employees.
17. Oversee the operation of the Group's short and long term incentive plans as they relate to the Executive Group and all other employees, including the review and approval of awards, setting of performance criteria that are aligned to the Company's purpose and values and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value, where applicable, and approval of any vesting, recovery, withholding of awards and holding periods, as appropriate, including the development of formal policies for post-employment shareholding requirements encompassing both vested and unvested shares.
18. Review and approve the rules, and where appropriate awards (and exercise of malus and claw-back) under the Group's short and long-term incentive plans, including annual bonuses, and policies.
19. Annually review a report from senior management regarding compliance with standards on employment policies, including remuneration by gender.
20. Agree the policy for authorising claims for expenses from the directors.
20. Keep abreast of external remuneration trends and market conditions, including receiving an annual presentation from its external remuneration advisers.
21. Through the Committee Chair and/or Chair of the Board, ensure that the Group maintains contact as required with its principal shareholders about remuneration.
22. Ensure any payments to directors are within the shareholder approved Remuneration Policy, before any payment is made.
23. Exercise any discretion or judgement on remuneration issues in accordance with the Remuneration Policy.
24. Establish the criteria for the selection and appointment of, the remit for, and compensation of any remuneration advisers to the Committee, and ensure that such engagement and any provision of advice is directly with the Committee and independent of senior management in accordance with any laws and governance requirements as applicable from time to time.

Approval History

Date	Version	Approved By	Details
24/03/2020	1.0	The Board of Directors	Inclusion of substantive changes agreed by the Remuneration Committee on 23 March 2020 and revisions to incorporate new 2018 UK Code