# SEASCAPE ENERGY ASIA PLC

## REMUNERATION COMMITTEE TERMS OF REFERENCE

### 1. INTRODUCTION

1.1 Pursuant to the powers of the board of directors of the Company (the **"Board"**) set out in Article 97.1 of the Company's Articles of Association, the Board have resolved to establish a committee of the Board to be known as the Remuneration Committee (the **"Committee"**) and approved these terms of reference for the Committee.

### 2. MEMBERSHIP OF THE COMMITTEE

2.1 The Committee shall consist of at least two members all of whom must be independent non-executive directors.

2.2 The chairman of the Board may be a member of (but may not chair) the Committee provided that, other than his chairmanship, he or she fulfils the test of independence (in which case he will be viewed as an independent director).

2.3 The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chairman of the Committee.

2.4 Appointments to the Committee shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided that the members of the Committee continue to be independent.

2.5 Only members of the Committee are entitled as of right to participate in meetings of the Committee. However, non-members (such as the chief executive, the head of human resources and external advisers) may be invited to participate in all or part of any meeting as and when the Committee considers appropriate. No person shall participate in any discussions or the taking of any decision at a meeting of the Committee regarding his or her own remuneration.

### 3. CHAIRMAN OF THE COMMITTEE

3.1 The Board shall appoint the chairman of the Committee who must be an independent non-executive director.

3.2 In the absence of the chairman of the Committee (or any deputy appointed by the Board) from any meeting of the Committee, the members of the Committee participating in the meeting shall elect one of their number (being a member who would qualify under these

terms of reference to be appointed as the chairman of the Committee by the Board) to chair the meeting.

## 4. SECRETARY OF THE COMMITTEE

The secretary of the Company (or such other person as the Committee may appoint) shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## 5. FREQUENCY OF MEETINGS

5.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as and when appropriate.

5.2 A meeting of the Committee may also be requested at any time by the chairman of the Committee, any member of the Committee who considers that one is necessary or, subject to receiving approval from the chairman of the Committee, any member of the Board.

## 6. CALLING MEETINGS

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or the chairman of the Committee.

6.2 Notice of a meeting of the Committee shall be given to each member of the Committee and to any other person who is required to participate in the meeting no later than five business days before the date of the meeting (or such shorter period as all the members of the Committee may agree). The notice shall include the venue, time and date of the meeting, details of the arrangements for participating in the meeting and an agenda of items to be discussed at the meeting. Supporting papers shall be sent to members of the Committee (and, where appropriate, to other persons who are required to participate in the meeting) at the same time as the notice of meeting (or as soon as reasonably practicable thereafter).

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

## 7. QUORUM

7.1 The quorum necessary for the transaction of business at a meeting of the Committee is any two members.

7.2 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.

7.3 A duly convened meeting of the Committee in which a quorum is participating shall be competent to exercise all or any of the authorities, powers or discretions vested in or exercisable by the Committee.

7.4 Only members of the Committee have the right to attend the Committee meetings but other directors and external advisors may be invited to attend all or part of any meeting where appropriate.

## 8. VOTING

Subject to these terms of reference:

(a) a decision is taken at a meeting of the Committee by a majority of the votes of the members of the Committee who are participating in the meeting; and

(b) each member of the Committee participating in the meeting has one vote.

## 9. CONFLICTS OF INTEREST

9.1 Each member of the Committee must, at or prior to the commencement of each meeting of the Committee, disclose to the Committee any interest that he has in any matter to be considered at the meeting.

9.2 A member of the Committee must not participate in any discussions concerning, and is not entitled to vote in relation to, any matter to be considered at a meeting of the Committee in which he has a direct or indirect interest unless that interest cannot reasonably be regarded as likely to give rise to a conflict of interest.

## 10. MINUTES OF MEETINGS

10.1 The secretary of the Committee shall keep minutes of the proceedings and resolutions of every meeting of the Committee (including the names of those participating in the meeting, any interests disclosed pursuant to paragraph 9 and every decision taken at the meeting).

10.2 The secretary of the Committee shall circulate draft minutes of each meeting of the Committee to all members of the Committee promptly following the meeting. When finalised and approved, the minutes shall be circulated to all members of the Board as a formal record of decisions of the Committee unless the chairman of the Committee considers that it would be inappropriate to do so.

## 11. DUTIES OF THE COMMITTEE

11.1 The Committee shall:

(a) be responsible for determining the policy for executive director remuneration and setting the remuneration for all executive directors of the Company and the chairman of the Board, including pension rights and any compensation payments. The Board itself (or, where required by the articles of association, the shareholders) should determine the remuneration of the non-executive directors of the Company within the limits set in the articles of association. No person shall be involved in any decision concerning his or her own remuneration;

(b) recommend and monitor the level and structure of remuneration for senior management of the Company and its subsidiaries (the **"Group"**);

(c) in determining such remuneration policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of the policy should be to attract, retain and motivate executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Group and should be aligned to the Group's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long term success of the Company and the Group;

(d) when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;

(e) review the ongoing appropriateness and relevance of the remuneration policy;

(f) within the terms of the agreed policy and in consultation with the chairman of the Board and/or the chief executive of the Company as appropriate, determine the total individual remuneration package of each executive director of the Company, the chairman of the Board, each executive director, the secretary of the Company and other senior executives including bonuses, incentive payments and share options or other share awards;

(g) in determining such packages and arrangements, give due regard to any relevant legal requirements, provisions and recommendations in the Quoted Companies Alliance (QCA) Corporate Governance Code (the "**QCA Code**"), the QCA's Remuneration Committee Guide for small and Mid-Size Quoted Companies and the AIM Rules for Companies as well as guidance published by the Investment Association and the Pensions and Lifetime Savings Association ("**PLSA**") and any other applicable rules, as appropriate;

(h) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help fulfil its obligations, the Committee shall have full authority, at the expense of the Company but within any budgetary constraints imposed by the Board, to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary;

(i) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

(j) approve the design of, and determine targets for, any performance-related pay schemes operated by the Group and approve the total annual payments made under such schemes;

(k) review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, the Committee shall determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors, the secretary of the Company and other designated senior executives and the performance targets to be used;

(l) determine clawback and equivalent arrangements in the event of a significant downturn in performance or impropriety;

(m) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;

(n) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Group and that failure is not rewarded;

(o) oversee any major changes in employee benefits structures throughout the Group; and

(p) agree the policy for authorising claims for expenses from the directors.

## 12. REPORTING RESPONSIBILITIES

12.1 All decisions of the Committee shall be reported formally to the Board by the chairman of the Committee. The Committee shall make whatever recommendations to the Board it deems appropriate on any matter within its remit where action or improvement is needed.

12.2 The Committee shall ensure that all requirements regarding the disclosure of information concerning remuneration (including pensions) are fulfilled including the production of any necessary remuneration report.

12.3 The chairman of the Committee shall attend each annual general meeting of the Company in order to respond to questions from shareholders concerning the remuneration report or the Committee's activities.

12.4 The Committee shall ensure that, through the chairman of the Board, the Company maintains contact as required with its principal shareholders concerning remuneration.

12.5 The Company's annual report will identify the chairman and members of the Committee. It will also set out the number of meetings of the Committee and individual attendance by directors.

13. **OTHER MATTERS**

13.1 The Committee shall be provided with:

(a) access to sufficient resources in order to carry out its duties (including access to the secretary of the Company for assistance as required); and

(b) appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

13.2 The Committee shall:

(a) work and liaise as necessary with all other committees of the Board; and

(b) carry out such other duties shall consider such other matters as may be referred to it by the Board from time to time;

13.3 In carrying out its duties, the Committee shall give due consideration to all applicable laws, regulations, guidelines and recommendations regarding the remuneration of directors of listed/non-listed companies and formation and operations of share schemes as appropriate including the QCA Code and the AIM Rules for Companies. The Committee shall arrange for periodic reviews of its own performance and shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

14. **AUTHORITY OF THE COMMITTEE**

The Committee is authorised by the Board:

(a) to examine any activity and undertake such investigations and research as it considers necessary or appropriate for the purpose of carrying out its duties;

(b) to obtain, at the Company's expense, independent legal or other professional advice on any matter within its remit where the Committee considers it necessary or appropriate to do so;

(c) to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee; and

(d) to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

## 15. AVAILABILITY OF TERMS OF REFERENCE

These terms of reference shall be made available on the Company’s website.