



REMUNERATION COMMITTEE: TERMS OF REFERENCE

Definitions

“Board”	the Board of Directors of ContourGlobal plc
“Chairman”	Chairman of the Remuneration Committee
“Code”	the UK Corporate Governance Code
“Committee”	the Remuneration Committee of ContourGlobal plc
“Company Chairman”	Chairman of the Board
“Company”	ContourGlobal plc
“Group”	Company and its subsidiary undertakings
“Nomination Committee”	the Nomination Committee of the Company
“Senior Manager”	a member of the Executive Management Board who is not an Executive Director

1 Constitution and purpose

- 1.1 The Committee was constituted as a committee of the Board at a full meeting of the Board held on October 23, 2017 in accordance with the articles of association of the Company.
- 1.2 The Committee’s purpose is to assist the Board to fulfil its responsibility to shareholders to ensure that the remuneration policy and practices of the Company reward fairly and responsibly, support strategy and promote long-term sustainable success, having regard to statutory and regulatory requirements.

2 Membership

- 2.1 The Committee shall comprise at least three members, all of whom should be independent non-executive directors. 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. Any member who is determined by the Board to no longer be independent shall cease to be a member of the Committee. The Chairman of the Board may be a member of, but not chair, the Committee provided he/she is independent.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the Chief Executive Officer or other senior executives and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 2.3 No person shall participate at a meeting of the Committee (or during a relevant part) when any part of their remuneration is being directly discussed, or participate in any recommendation or decision specifically concerning their own remuneration.
- 2.4 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to be independent.
- 2.5 The Board shall appoint one member of the Committee to act as its Chairman who shall be an independent non-executive director who has served on a Remuneration Committee for at least 12



months, unless the particular circumstances of the Company require otherwise. The Chairman of the Committee shall not be the Chairman of the Board. In the absence of the Chairman of the Committee and an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting, who would qualify under these terms of reference to be appointed to that position by the board.

3 Secretary

- 3.1 The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4 Quorum

- 4.1 The quorum necessary for the transaction of business shall be two members, present in person or by audio or video conference.

5 Frequency of meetings

- 5.1 The Committee shall meet at least twice a year and otherwise as determined by the Chairman of the Committee.
- 5.2 The Committee may hold meetings by telephone or using any other method of electronic communication, and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Chairman of the Committee.

6 Notice of 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 by the Board.
- 6.2 Unless otherwise agreed, written notice of each meeting confirming the venue, time, date and dial-in details (if required) together with the agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend.
- 6.3 The notice, agenda and supporting papers shall be forwarded to members and other attendees as appropriate, as soon as possible and in any event no later than *five* working days before the date of the meeting or at shorter notice with the approval of the Chairman of the Committee.



7 Minutes of meetings

- 7.1 The Secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes shall be circulated to all other members of the board unless in the opinion of the Chairman of the Committee it would be inappropriate to do so.
- 7.3 Any conflicts of interest of members of the Committee are to be declared at the start of each meeting in relation to the matters to be discussed and recorded accordingly in the minutes.

8 Annual general meeting

- 8.1 The Chairman shall attend the annual general meeting to answer any shareholder questions on the Committee's activities.

9 Duties

The Committee shall:

- 9.1 have responsibility for setting, approving and implementing the remuneration policy, including pension arrangements and any compensation payments, for all Executive Directors, the Company Chairman, Senior Managers and Company Secretary. The Company Chairman and the Executive Directors, or the shareholders where required by the Articles of Association, shall determine the remuneration of the non-executive directors within the limits set in the articles of association. No director or senior manager shall be involved in any decisions relating to their own remuneration;
- 9.2 in determining the remuneration policy, consider:
 - (i) the Company's risk appetite and risk management strategy, ensuring that the remuneration policy is aligned to the Company's risk policies and systems and long-term strategic goals
 - (ii) the objective of the remuneration policy to attract, retain and motivate Executive Directors and Senior Managers of the quality required to run the Company successfully, ensuring that they are rewarded in a fair and responsible manner without paying more than is necessary, having regard to views of shareholders and other stakeholders;
 - (iii) all relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance;
 - (iv) the business strategy of the Company and how the policy reflects and supports the business strategy;
 - (v) an appropriate balance between fixed and performance-related remuneration, and between immediate and deferred remuneration, ensuring that a significant proportion of remuneration is structured so as to link rewards to corporate and individual performance, and designed to promote the long-term success of the Company;
 - (vi) any conflicts of interest, in particular when receiving views from members of Senior Management or when consulting with the Chief Executive about its proposals;



CONTOURGLOBAL PLC

- (vii) the ongoing appropriateness and relevance of the remuneration policy, consulting with shareholders and other stakeholders as appropriate. The Committee shall review pay and workforce policies and practices across the Company, taking these into account when setting the policy for director remuneration, especially when determining annual salary increases;
 - (viii) the transparency of the performance-related elements, ensuring that they are stretching and rigorously applied;
 - (ix) requiring executive directors: (i) to hold a minimum number of shares; and (ii) to hold shares (net of tax) for a period after the vesting or exercise of share based awards or options, including for a period after leaving the Company;
- 9.3 within the terms of the agreed policy and in consultation with the Chairman and/or President & CEO, as appropriate, determine the total individual remuneration package of each Executive Director, the Company Chairman, Senior Managers and Company Secretary, including base salary; bonuses, incentive payments, share options or other share awards, pension arrangements and other benefits;
- 9.4 ensure, where relevant, that any payments made in respect of any remuneration package are permitted under the latest shareholder approved remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval;
- 9.5 exercise any discretion or judgment on remuneration issues taking into account company and individual performance, and wider circumstances;
- 9.6 approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and monitor their operation and approve the total annual payments made under such schemes;
- 9.7 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, Senior Managers and Company Secretary, and the performance targets to be used;
- 9.8 design and invoke agreed safeguards, for example, clawback or withholding the payment of any sum, to protect against rewards for failure through appropriate risk management of any incentive arrangements to ensure that any performance-related payments reflect actual achievements;
- 9.9 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior employees;
- 9.10 oversee any major changes in employee benefits structures throughout the Company;
- 9.11 consider, determine and approve the provisions of the service agreements of the Executive Directors, Senior Managers and Company Secretary and the duration of the notice period;
- 9.12 determine the policy for, and scope of, termination payments and compensation commitments for each Executive Director, Senior Manager and the Company Secretary, and ensure that there is a clear policy to link non-contractual payments to performance;

- 9.13 ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company and in accordance with legal and regulatory requirements, do not reward failure, and that the duty to mitigate loss is fully recognised. Such payment or benefit should be consistent with the most recent directors' remuneration policy that has been approved by shareholders or is otherwise approved by the shareholders as required by the rules and all other relevant laws and regulations;
- 9.14 agree the policy for authorising claims for expenses from the directors;
- 9.15 subject to delegation of authority by the Board, to determine whether the disclosure of any information on performance conditions in the Company's annual remuneration report would be commercially sensitive;
- 9.16 administer all aspects of any executive share scheme and/or all-employee share scheme operated by or to be established by the Company in accordance with the rules of that scheme and any applicable legal and stock exchange requirements and with any requirements of Her Majesty's Revenue and Customs (or any other local tax requirements);
- 9.17 have full authority to appoint remuneration consultants, including being exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any such remuneration consultants who advise the Committee, and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company, but within any budgetary restraints imposed by the Board;
- 9.18 review succession planning in conjunction with the Nomination Committee, and invite the Company Chairman to attend all or part of any meeting involving such discussions;
- 9.19 work and liaise as necessary with all other Board committees; and
- 9.20 consider any other matters as may be requested by the Board.

10. Reporting responsibilities

The Committee shall:

- 10.1 report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities (unless it would be inappropriate to do so) and to make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 10.2 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 2008 (as amended), the Companies Act 2006, the Code and the Listing Rules, are fulfilled and produce a report to shareholders annually on matters relating to executive remuneration in accordance with those provisions, incorporating:



CONTOURGLOBAL PLC

- (i) an annual statement by the Committee Chairman and annual report on directors' remuneration (together, annual remuneration report); and
 - (ii) the directors' remuneration policy when it must be submitted for approval in accordance with Paragraph 10.3 and, in any other case, either the directors' remuneration policy, a summary of such policy or details of when the directors' remuneration policy was approved and where it can be found on the Company's website;
- 10.3 submit the directors' remuneration policy for approval through a binding basis by the board and shareholders:
- (i) every three years;
 - (ii) in any year in which there is a change to the policy;
 - (iii) if majority shareholder approval was not achieved on the last submitted annual remuneration report;
- 10.4 submit the annual remuneration report for approval on an advisory basis by the board and shareholders annually.
- 10.5 If the Committee has appointed remuneration consultants, the Company's annual report should identify such consultants and state whether they have any other connection with the Company.
- 10.6 The Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 10.7 The Committee shall, subject to delegation of authority by the board, engage in appropriate discussions as necessary with shareholders if, in the opinion of the board, a significant proportion of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy or any long-term incentive scheme at any annual general meeting or general meeting, as the case may be, and agree with the board any appropriate disclosure.

11 Other matters

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat and management for assistance as required;
- 11.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 11.3 give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes



including but not limited to the Companies Act 2006, the provisions and recommendations of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association, Institutional Shareholder Services, the GC100 and InvestorGroup, and any other applicable rules, as appropriate.

- 11.4 arrange for periodic reviews of its own performance and, at least annually, review its 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; and
- 11.5 oversee any investigation of activities which are within its terms of reference.

12 Authority

The Committee is authorised by the Board to:

- 12.1 undertake any activity within its terms of reference;
- 12.2 have unrestricted access to the Company's documents and information, including on request any information from any employee/director/contractor/consultant (or other external advisers or provider of services, including consultants, legal advisers or tax advisers) of the Company, at the Company's expense, in order to perform its duties;
- 12.3 request the attendance of any employee, contractor, consultant, or other external provider of services or advice to the Company, at a meeting of the Committee, as and when required;
- 12.4 have the right to publish in the Company's annual report details of any issues that have not been resolved between the Committee and the Board; and
- 12.5 delegate any of its powers as it sees fit to one or more of its members, the secretary, a sub-committee or such other body as it deems appropriate which are to report back to the Committee.

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