



## **REMUNERATION COMMITTEE – TERMS OF REFERENCE**

**EPIC GAS Ltd.**

**Adopted by the Board on 11<sup>th</sup> December 2019**

## **1 PURPOSE**

These Terms of Reference for the Remuneration Committee (“**Remuneration Committee**”) of the Board of Directors (the “**Board**”) of Epic Gas Limited (the “**Company**”) shall apply to the Company and its subsidiaries (collectively, the “**Group**”).

## **2 COMPOSITION AND INDEPENDENCE**

The Remuneration Committee shall consist of at least two members of the Board, and the Remuneration Committee members shall be appointed by the Board. Members will be appointed for a 2-year term and be subject to re-appointment by the Board. The members of the Remuneration Committee shall be independent of the executive personnel of the Group.

The Board shall appoint one member of the Remuneration Committee as its Chairperson.

The Chief Executive Officer (“**CEO**”) of the Company, or such other person nominated by the Board, shall be the Secretary of the Remuneration Committee.

## **3 GENERAL FUNCTIONS, AUTHORITY AND ROLE**

The Remuneration Committee shall be appointed by the Board of the Company to assist the Board in fulfilling its responsibilities by making recommendations and otherwise preparing the basis for decisions of the Board in relation to:

- Executive Remuneration, including recommendation of the Terms of Reference for the remuneration of the Executive Management: CEO, Chief Financial Officer, Commercial Director, Technical Director and other employees and/or consultants (as determined by the Remuneration Committee or CEO); proposals on fixed and performance based remuneration levels for the CEO; and proposals on assessment or Corporate Targets and achievement.

### **Fixed remuneration**

- Fixed remuneration shall comprise base salaries and fixed allowances.
- Base salaries shall be designed to compensate employees for the roles, responsibilities undertaken, and the required competencies. Base salaries shall normally be reviewed once a year.
- Fixed allowances, designed to cover housing and transportation costs may, on occasion, be paid to eligible members of the Executive Management team.

### **Variable pay**

- Variable pay shall include a short-term component, the Annual Performance Bonus; and a long-term component, the Long-Term Incentive Plan (“LTIP”).
  - Annual Performance Bonuses shall be awarded early each calendar year, usually in January, in relation to the performance of each employee against performance targets established at the beginning of the preceding year. The aggregate bonus pool available for payment shall be determined with close reference to the Company’s profitability and Shareholder value creation. The allocation of bonuses from that pool shall be closely related to annual performance against pre-determined performance targets.
  - The LTIP shall allow for additional compensation via a share options programme.
  - The purpose of the LTIP shall be to attract and retain a strong Management team and to align the interests of the team with those of the Shareholders. Under the LTIP, the Executive Management shall be awarded share options on an annual basis. Details of the LTIP shall be determined in the Company’s LTIP.
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- Recruitment Policies, Career Planning and Management Development programs for the organisation as a whole and specific plans for Executive Management.
  - Other matters relating to material employment issues in respect of the Executive Management, including the benefits strategy of the Company, which shall cover pension and relevant insurance schemes.
  - Succession Planning and any other specific remuneration or employment matters as directed by the Board.
  - The Remuneration Committee shall be responsible for proposing fees for Non-Executive Directors, for consideration and endorsement by the Board. If applicable, the Board shall be responsible for seeking Shareholder approval at the Company’s Annual General Meeting.
  - The Remuneration Committee’s Terms of Reference shall be reviewed at least on an annual basis.

The Remuneration Committee shall have the authority to review any matter of the Group within the Remuneration Committee’s scope of responsibilities. In discharging its responsibilities under these Terms of Reference, the Remuneration Committee shall have full access to the records and personnel of the Group and shall have the opportunity to seek advice and recommendations from sources outside the Group.

#### **4 RESPONSIBILITIES**

The Remuneration Committee's primary responsibilities in providing assistance and facilitating the decision making in the Board shall include:

- Conducting a formal evaluation of the Executive Management annually, including considering achievement against pre-established performance objectives. The evaluation should consider;
  - Impact on business performance
  - Ability to select and develop the right people for the Management team
  - Scope of influence on outcomes
  - Fulfillment of Shareholders' expectations
  - Vision and strategy for the Company's future
  - Succession plan
  - Effectiveness in managing external relations
  
- Assessing the Group's compensation and benefits strategy for its Executive Management by an annual review of the organisation's overall compensation plan (or practices). This shall include monitoring the effectiveness of the design, performance measures and award opportunities offered by the Group's Executive Management compensation plans.
  
- Overseeing the CEO's efforts to identify and develop potential successors for key Executive Management.

#### **5 MEETINGS**

The Remuneration Committee shall endeavor to meet at least two times per year, and more often as it deems necessary, in person, by teleconference or by videoconference.