



SAVANNAH ENERGY PLC (THE 'COMPANY')

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Reviewed and approved by the board of directors of the Company (the “**Board**”) on 13 May 2015 and subsequently reviewed and approved by the Board on 18 May 2023 following certain amendments and updates.

1. CONSTITUTION

- 1.1. The Remuneration Committee was originally constituted at a full meeting of the Board held on 12 July 2014 in accordance with the articles of association of the Company (the “Articles of Association”). The remit of the Committee was extended to encompass remuneration and nomination matters at a full meeting of the Board held on 13 May 2015. The remit of the committee was amended at a full meeting of the Board on 18 May 2023 to establish the Remuneration Committee.
- 1.2. The role and responsibilities of the Remuneration Committee (the “Committee”) shall be as detailed in these terms of reference and shall not be amended except with the approval of the Board.

2. PURPOSE OF THE COMMITTEE

- 2.1. To determine and agree the Company’s remuneration policy with the Board.
- 2.2. To define and establish Non-Executive Chair, Executive Director, and Senior leadership team remuneration.
- 2.3. Review and determine remuneration policy across the Company staff and workforce.
- 2.4. Determine that remuneration, benefits and rewards designed and aligned to achieve the goals, strategy, and values of the Company.
- 2.5. Remuneration of Non-Executive Directors shall be a matter for the Board or the shareholders, within the limits set in the articles of association.

3. AUTHORITY

The Committee is authorised by the Board to:

- 3.1. Exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2. Examine any activity within its terms of reference.

- 3.3. Obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference provided that the Committee will have due regard to their fiduciary duty to the Company and will only incur such costs as are reasonable in the circumstances.

4. MEMBERSHIP

- 4.1. The members of the Committee shall be appointed by the Board and in consultation with the Committee Chair and the Committee.
- 4.2. A minimum of three independent non-executive directors shall be appointed to the Committee.
- 4.3. The Chair of the Board may also serve on the Committee.

5. CHAIR

- 5.1. The Chair of the Committee shall be appointed by the Board.
- 5.2. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.
- 5.3. The Committee Chair may not be the Non-Executive Chair of the Board.

6. QUORUM

The Committee meetings shall be declared quorate with a minimum of two members and deemed competent to exercise all or any of the authorities, powers and discretions vested or exercisable by the Committee.

7. VOTING ARRANGEMENTS

- 7.1. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes may only be cast by members attending a meeting of the Committee.
- 7.2. No member of the Committee shall attend or form part of the quorum in relation to any matter pertaining to their respective remuneration.
- 7.3. The Committee Chair will have a casting vote.

8. MEETINGS

- 8.1. The Committee will meet at least twice per year. The Committee may meet at other times during the year as requested by the Chair of the Committee.
- 8.2. Only members of the Committee have a right to attend a Committee meeting. Other Directors, Non-Executive Directors and external advisors may be invited to attend all or part of any meeting as and when appropriate.
- 8.3. The Company Secretary, or his nominee shall be 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 issues.
- 8.4. The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted.

- 8.5. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chair.

9. NOTICE OF MEETINGS

- 9.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chair and aligned with the Company Board meetings dates set out in the annual business calendar.
- 9.2. Supporting papers shall be issued to each Committee member no later than five working days before the date of the meeting.
- 9.3. Ad Hoc Committee Meetings will be similarly notified and managed.

10. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

- 10.1. To recommend the remuneration principles, including benefits and rewards, for the executive directors to the Board and propose a remuneration policy for adoption by the shareholders.
- 10.2. Hold delegated responsibility for determining the policy for executive directors' remuneration and setting remuneration for the Company's Chair, the Executive Directors and other senior executives and managers.
- 10.3. Within the QCA Corporate Governance Code, design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive, and defined senior management, remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy.
- 10.4. Take into account workforce remuneration principles and monitor alignment of incentives and remuneration within the framework of the Company's values and culture, and sustainable long term business success.
- 10.5. Set and approve the terms of engagement and remuneration of the Non-Executive Chair of the Board.
- 10.6. Monitor and ensure that executive directors and senior leadership team remuneration is aligned with Company policy, strategy, values, and culture while promoting long-term shareholding by executive directors.
- 10.7. Review executive director and senior management remuneration outcomes against approved in-year plans taking into account Company and individual performance, and business environment.
- 10.8. Ensure that there are appropriate and effective measures to exercise the right to recover and/or withhold sums or share awards within the Company's malus and clawback policy.
- 10.9. Engage independent remuneration consultants, or purchase reports, surveys, or information deemed necessary to fulfil the Committee's role.
- 10.10. Annually assess the Policy and Terms of Reference of the Committee to ensure that these are relevant in terms of the prevailing remuneration trends in the sector.
- 10.11. Maintain effective engagement with shareholders on remuneration matters.

- 10.12. Ensure that contractual terms on termination, and payments made to executive directors and senior management are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 10.13. Ensure that no Director or senior manager shall be involved in any decisions as to their own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management. The Board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the Non-Executive Directors within the limits set in the Articles of Association;
- 10.14. The remuneration of the Non-Executive Directors shall be determined by the Board and shareholders and within the limits set in the Articles of Association
- 10.15. In determining remuneration policy for Directors, the Committee shall review and have regard to the pay and employment conditions across the Company or Group, especially when determining salary increases.
- 10.16. Review the ongoing appropriateness and relevance of the remuneration policy.
- 10.17. 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.
- 10.18. 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 the Directors and other senior executives and the performance targets to be used.
- 10.19. Within the terms of the agreed policy and in consultation with the Non-Executive Chair and/or Chief Executive Officer as appropriate, the Committee shall determine the total individual remuneration package of the Chair, each Executive Director and other senior executives including bonuses, incentive payments and share options or other share award, benefits packages, pension rights and arrangements in connection with the individual's cessation of office or employment (including the terms of settlement agreements or similar documents). The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards and frameworks, taking account of Company and individual performance, and wider circumstances.
- 10.20. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee shall have authority to appoint remuneration consultants to help it fulfil its obligations within any budgetary restraints imposed by the Board. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants;
- 10.21. Ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised.
- 10.22. Oversee any major changes in employee benefits structures throughout the Company or group.
- 10.23. Agree the policy for authorising claims for expenses from the Directors.
- 10.24. The Committee is exclusively responsible for establishing the selection criteria for, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the Committee.

11. GENERAL

- 11.1. The Committee shall have access to have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and 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.
- 11.2. Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes as appropriate.
- 11.3. Through the Chair of the Board, ensure that the Company maintains contact as required with its principal shareholders on remuneration matters.

Adopted by resolution of the Board on 18 May 2023