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MYTRAH ENERGY LIMITED

REMUNERATION COMMITTEE'S
TERMS OF REFERENCE

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1. CONSTITUTION

The Committee was constituted at a full meeting of the Board of Directors held on 8 September 2010 in accordance with the Articles of Incorporation of the Company.

In these terms of reference, the "**Group**" means the Company and its subsidiaries from time to time and "**Board**" means the Company's board of directors.

2. MEMBERSHIP

2.1 Composition

2.2 The Committee shall be appointed by the Board from amongst the independent nonexecutive directors of the Company, based on the recommendations of the Nomination Committee and in consultation with the chairman of the Committee.

2.3 The Committee shall consist of no fewer than two members and any member who is determined no longer to be independent shall resign from the Committee. The chairman of the Board may also serve on the Committee as an additional member, but not chair the Committee, if he or she was considered independent on appointment as chairman.

2.3 Appointment of chairman

The chairman of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee, which will also determine their period of office. In the absence of the chairman of the Committee or any deputy appointed by the Board, the remaining members present at any meeting shall elect one of their number to chair the meeting. The chairman of the Board shall not be the chairman of the Committee.

2.4 Appointment of alternate members

If a regular member is unable to act due to absence, illness or any other cause, the chairman of the Committee may, if there are any other independent non-executive directors, appoint another independent non-executive director of the Company to serve as an alternate member.

2.5 Term of appointment

The appointment of a member to the Committee shall be for a period of up to three years. The appointment of any member of the Committee may be extended for no more than two further three year periods if that member remains independent at the time of extension of the appointment.

3. **SECRETARY**

The secretary of the Committee shall be the Company Secretary (or his or her nominee).

4. **QUORUM AND LOCATION OF MEETINGS**

4.1 The quorum necessary for the transactions of the business of the Committee shall be any two members or their alternates present in person or by telephone/video link or other telephonic or electronic means of communication with the location of the meeting.

4.2 All meetings shall comply with the provisions of the Company's Articles of Incorporation and must be held outside the United Kingdom and India. No member may participate in a meeting or count in the quorum or be entitled to vote if they are physically present in India. No member may participate in a meeting or count in the quorum or be entitled to vote if they are physically present in the United Kingdom if this would result in a majority of members participating in the meeting being physically present in the United Kingdom.

5. **ATTENDANCE AT MEETINGS**

The Committee shall have the discretion to decide who, other than its members, shall attend its meetings. However, no person shall be involved in any decision or present at any discussions of the Committee as to their own remuneration.

6. **FREQUENCY OF MEETINGS AND NOTICE**

6.1 **Number of meetings**

Meetings shall be held not less than twice a year and shall be summoned by the secretary of the Committee at the request of the chairman of the Committee.

6.2 **Additional meetings**

In addition to the routine meetings of the Committee, either the chairman of the Committee or any other member of the Committee may at any time request the secretary of the Committee to summon a meeting if he or they consider it necessary.

6.3 **Notice of meetings**

- (a) Unless otherwise agreed in writing by all members of the Committee, notice of each meeting confirming the venue, time and date (together with an agenda of items to be discussed and supporting papers, as appropriate) shall be forwarded to each member of the Committee and any other person required to attend no fewer than 5 working days prior to the date of the meeting.
- (b) Except as otherwise provided in these terms of reference, meetings of the Committee shall be conducted in accordance with the provisions of the Company's Articles of Incorporation governing the proceedings of Directors.

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 can only be cast by members attending a meeting of the Committee.
- 7.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote with regards to that matter.
- 7.3 Save where he has a personal interest, the chairman of the Committee will have a casting vote.

8. AUTHORITY

8.1 General authority

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

8.2 Investigative powers

The Committee is authorised to investigate the remuneration paid by other companies of a similar size in a comparable industry sector and to make such other investigations and authorise such research as it considers desirable for the purposes of fulfilling its terms of reference or assessing the Company's remuneration policies and practices when compared with comparable companies.

8.3 Request for information from employees

The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and all employees are directed to cooperate with any request made by the Committee.

8.4 Professional advice

The Committee is authorised to obtain internal or external legal or other independent professional advice on any matters within its terms of reference (including the advice of independent remuneration consultants), to secure the attendance of internal or external professional advisers at its meetings if it considers this necessary and to commission or purchase (within any budgetary restraints imposed by the Board) any relevant reports, surveys or information which the Committee deems necessary to help fulfil its duties.

9. DUTIES

9.1 Duties of the Committee

The duties of the Committee shall be, on the basis of the considerations specified in Paragraph 9.2 and with the objective specified in Paragraph 9.3, on behalf of the Board and the shareholders:

- (a) to review and determine the framework or broad policy regarding executive remuneration and the entire individual remuneration and incentive packages for each of the executive directors and senior management (as the Committee may be designated to consider from time to time and for the purpose of these terms of reference, "**senior management**" includes all members of the management committee of Mytrah Energy (India) Limited and the company secretary of Mytrah Energy Limited), and determining the relevant terms of employment of those persons. No director or senior manager shall be involved in any decisions regarding their own remuneration;
- (b) to review and have regard to the pay and employment conditions across the Group, especially when determining salary increases, when setting the remuneration policy for directors;
- (c) to review and determine the ongoing appropriateness and relevance of the remuneration policy;
- (d) to review and approve the design of any share incentive plans and other incentive and bonus plans and determine whether awards will be made, and if so, the overall amount of such awards and individual awards to executive directors and senior management;
- (e) to review and approve targets for any performance-related payments for executive directors and senior management and individual incentives for executive directors and senior management including, without limitation:
 - (i) the setting and monitoring of any performance conditions subject to which any options may be granted under any share option schemes adopted by the Company; and
 - (ii) the setting and monitoring of any bonus or other incentive scheme performance conditions;and the Committee will recommend to the Board, where appropriate, to seek shareholder approval for any new long term incentive arrangements or significant changes to existing arrangements;
- (f) to review and determine the policy for and scope of any pension arrangements for executive directors and senior management;
- (g) to review and determine the policy for and scope of any termination payments and the severance terms for executive directors and senior management ensuring that contractual terms on termination, and including, without limitation, any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (h) to review and determine the provision of benefits under the terms of the service agreements or otherwise of executive directors and senior management, where these are stated as being at the discretion, or otherwise requiring determination, of the Board or Committee;
- (i) to review and determine the policy for authorising reimbursement of claims for expenses from the directors of the Company; and

- (j) to review and determine any other matters relating to the above referred to the Committee by the Board.

9.2 Considerations of the Committee

- (a) The considerations referred to in Paragraph 9.1 are those required to be taken into account by the AIM Rules for Companies (and other Listing Rules as appropriate) and all applicable codes of practice, laws and guidance and the Committee's view of good practice at the relevant time.
- (b) The Committee shall also obtain reliable up-to-date information about remuneration in other relevant companies.

9.3 Objectives of the Committee

The objective referred to in Paragraph 9.1 is to ensure that (i) the executive directors and senior management are provided with appropriate remuneration and other incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company and (ii) the performance related elements of the remuneration of executive directors and senior management are aligned to the interests of shareholders of the Company and the long term interests of the Company. The Committee shall also liaise with the Nomination Committee to ensure that the remuneration and other incentives of newly appointed executive directors and senior management is within the Company's overall remuneration policy.

9.4 Delegation of powers

The remuneration of non-executive directors shall be a matter for the executive members of the Board. The Board may, however, delegate this responsibility to a committee consisting of executive directors including the Chief Executive Officer.

9.5 Publication of terms of reference

The Committee shall ensure that its terms of reference are available on the Company's website and include an explanation of its role and the authority delegated to it by the Board.

9.6 Committee self-assessment review

The Committee shall ensure that its terms of reference, performance and composition are reviewed at least annually and, where necessary, that any changes are recommended to the Board for approval and ensure the company secretary facilitates any individual or committee training requirements identified by the annual assessment.

9.7 Directors' duties

The Committee shall, while carrying out the duties specified in Paragraph 9.1, have regard to their duties as directors of the Company.

9.8 Resources

The Committee shall 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 ongoing basis for all members.

10. REPORTING TO SHAREHOLDERS

10.1 Annual general meeting

The chairman of the Committee shall make himself available to attend the annual general meeting and be prepared to respond to any shareholder questions on the Committee's activities and responsibilities.

10.2 Annual report

The Committee shall compile an annual report to be included in a separate section of the Directors Report describing the Committee's role and the action it has taken.

10.3 Requirements of annual report

The Committee's annual report must contain such information as is required to comply with the AIM Rules for Companies and other applicable Listing Rules) and all applicable codes of practice and laws and the Committee's view of good practice at the relevant time.

10.4 Approval of remuneration policy

The remuneration policy and practices set out in the Committee's report shall be put to the shareholders for their approval at the annual general meeting.

10.5 Communication with Shareholders

Through the chairman of the Board, the Committee will ensure that the Company maintains contact as required with its principle shareholders about remuneration.

11. REPORTING TO THE BOARD

11.1 Formal reporting

The chairman of the Committee shall report formally to the Board on its proceedings after each Committee meeting, on all matters within its duties and responsibilities.

11.2 Recommendations

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12. MINUTES

12.1 Preparation of minutes

The secretary of the Committee shall cause minutes to be made of all resolutions and proceedings of all meetings of the Committee including the names of all those present and in attendance.

12.2 **Circulation of minutes**

The secretary of the Committee shall circulate minutes of the Committee meetings to all members of the Committee and to all members of the Board (except where a conflict of interest exists).