

Remuneration Committee Terms of Reference

1. Scope

- 1.1. The Committee is a sub committee of and is responsible to the board of directors (the “Main Board”) of KCA Deutag International Limited (the “Company”) for determining the fees, salary, terms and conditions of appointments and other remuneration and benefits (including bonus, share incentive and pension arrangements of (i) the executive management team of the Group as such exists from time to time and as shall be determined by the CEO (the “Executive Team”) and any Non-Executive directors (ii) all other directors reporting to the CEO ((i) and (ii) together being “Relevant Executives”) (subject to Shareholder Majority approval as defined in the IA (as defined below)) and any future or additional employee share based remuneration schemes, where applicable (subject always to the terms of the investment agreement relating to the Company entered into on or around 17 December 2020 (the “IA”).
- 1.2. In relation to the chair of the Board (the “Main Board Chair”) and the directors of the Board including, Non-Executive members (the “Main Board Directors”), the Committee should make recommendations to the Main Board in relation to any amendments to fees, salary and other remuneration and benefits all subject to approval under the terms of the IA.
- 1.3. Subject always to the IA, the Committee is responsible for the appointment or dismissal of Relevant Executives.
- 1.4. The Committee shall also review the pay and benefits of other employees within the Group who are not Relevant Executives but whose basic remuneration is in excess of \$250,000 (“High Earning Employees”) to ensure fair and equitable treatment.

2. Membership

- 2.1. The chair of the Committee (“Committee Chair”) and members of the Committee (“Committee Members”) shall be appointed by a majority of the Main Board.
- 2.2. The Committee shall be made up of at least 3 independent Non Executive members of the Main Board one of whom will be appointed Committee Chair and none of whom shall be KCA Deutag employees.
- 2.3. The Main Board Chair will be a Committee Member but shall not be Committee Chair.
- 2.4. Only Committee Members have the right to attend Committee meetings. However, other individuals such as the CEO, the SVP for Human Resources and external advisers may be invited to all or part of any Committee meeting as the Committee may direct, save where the matter being discussed relates to their own salary, remuneration or other benefits.
- 2.5. In the absence of the Committee Chair and/or an appointed deputy, the remaining Committee Members present shall elect one of themselves to chair the Committee meeting.

3. Secretary

3.1. The SVP Human Resources shall act as secretary to the Committee.

4. Quorum

4.1. The quorum necessary for the transaction of business shall be a majority of the appointed Committee Members. 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.

4.2. A Committee Member shall not participate in any discussions or decision of the Committee in respect of his or her own salary, remuneration or other benefits.

5. Frequency of meetings

5.1. The Committee shall meet at least twice a year and otherwise as directed by the Committee Chair.

6. Notice of meetings

6.1. Meetings of the Committee shall be called by the secretary of the Committee on behalf of the Committee Chair. Any party may ask the Committee Chair to consider calling a meeting of the Committee.

6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Committee Member, any other person required to attend the relevant Committee meeting and all other Main Board Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee Members and to other attendees as appropriate, at the same time or as soon as possible thereafter.

7. Minutes of meetings

7.1. The secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

7.2. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3. Minutes of Committee meetings shall be circulated promptly to all Committee Members and, once agreed, to all Main Board Directors (subject to appropriate confidentiality requirements), unless a conflict of interest exists.

8. Duties

The Committee shall carry out the following duties:

[Remuneration Policy](#)

- 8.1. Determine and agree with the Main Board the broad policy for the remuneration of the CEO, Main Board Chair, Main Board Directors and Relevant Executives and High Earning Employees (together "Relevant Individuals") subject to the Shareholder Majority approval.
- 8.2. No director or manager shall be involved in any decisions as to their own remuneration.
- 8.3. The objective of such policy shall be to ensure that Relevant Individuals are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

Salaries and benefits

- 8.4. Within the terms of the agreed policy and in consultation with the Main Board Chair and CEO, determine the total individual remuneration package of the Relevant Individuals including bonuses, incentive payments, pensions and share options or other share awards subject to the Shareholder Majority (as defined in the IA) approval.
- 8.5. Approve the Group's annual policy on pay reviews.
- 8.6. In determining such packages and arrangements, give due regard to any relevant legal requirements, provisions and recommendations.
- 8.7. Determine and approve any future or additional share incentive plans, and approve and recommend to the Main Board any new members of the scheme or any leavers as appropriate subject always to the IA
- 8.8. Review and note annually the remuneration trends across the Group with reference to relevant market trends.

Performance contracts

- 8.9. Set the overall framework for the performance contracts to be entered into with the Executive Team.
- 8.10. Annually approve each of the Executive Team performance contracts.
- 8.11. Approve the total annual payments to be made under the Executive Team performance contracts.
- 8.12. Approve the overall structure of any performance related pay schemes operated by the company for the other Relevant Executives.
- 8.13. Approve the total annual payments to be made under any performance related pay schemes operated by the company for the other Relevant Executives

Succession and appointments

- 8.14. Determine the policy for succession as it relates to the Executive Team and review the succession plan with the Main Board Chair and CEO on an annual basis.
- 8.15. Approve the appointment of any member of the Executive Team and the Relevant Individuals (subject to Shareholder Majority (as defined in the IA) approval).

Other

- 8.16. Agree the policy for authorising claims for expenses from the Main Board Directors and CEO.
- 8.17. Ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled.
- 8.18. Ensure that contractual terms for Main Board Directors on termination, and 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 recognized.

9. Reporting responsibilities

- 9.1. The Committee Chair shall report formally to the Main Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Main Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Authority

- 10.1. The Committee is authorised by the Main Board to seek any information it requires from any employee of the Group in order to perform its duties.
- 10.2. In connection with its duties the Committee is authorised by the Main Board, at the Company's expense to obtain any outside legal or other professional advice, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties

11. Other

- 11.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Main Board for approval by a Shareholder Majority (as defined in the IA).