

Introduction

Set out below is the Pembridge Resources plc Directors' Remuneration Policy. This will be proposed for a binding vote at the 2020 accounts meeting of Pembridge Resources plc on 21 September 2020. If approved the policy will take effect immediately after the end of that meeting.

The Directors' Remuneration Policy applies to both executive and non-executive directors.

Executive remuneration is considered by the Remuneration Committee which comprises the two non-executive directors.

Non-executive remuneration is considered by the Board.

The Directors' Remuneration Policy takes into account the following:

- The need to attract, retain and motivate individuals who will ensure successful leadership and management of the company;
- The general aim to reward all employees fairly according to their role and performance;
- Remuneration packages offered by similar companies;
- The need to align interests of shareholders with the long-term interests of the company; and
- The need to be flexible with regard to operational changes during the life of the policy.

Executive Directors

Base salary is set at a level that reflects the person's skills and experience, the role's responsibilities and accountability, and the value they can add to the company in the role.

Pensions and other benefits such as health cover are considered with base salary as part of the base package. The mix of salary and other benefits will vary according to the needs and interests of the Director and of the company.

Bonus, share options and other incentives are considered as a whole, to reflect the performance of the business and the contribution of the individual to that performance, and to help attract, retain and motivate Directors.

Non-executive Directors

Fees are set at a level that reflects the person's skills and experience, the role's responsibilities and accountability, and the value they can add to the company in the role. They reflect also the time required for the role.

Non-executive Directors do not participate in pensions. The Non-executive Directors surrendered the option rights that they had in April 2020 but may be awarded options.

Where a Non-executive Director provides a specific service to the company in addition to their non-executive role, this is considered as a separate arrangement by the Board. Any fees for such additional services will also reflect the individual's abilities, the scope of the role and the value they can add to the company on the same basis as if they were not also Directors.

Directors' Remuneration Policy



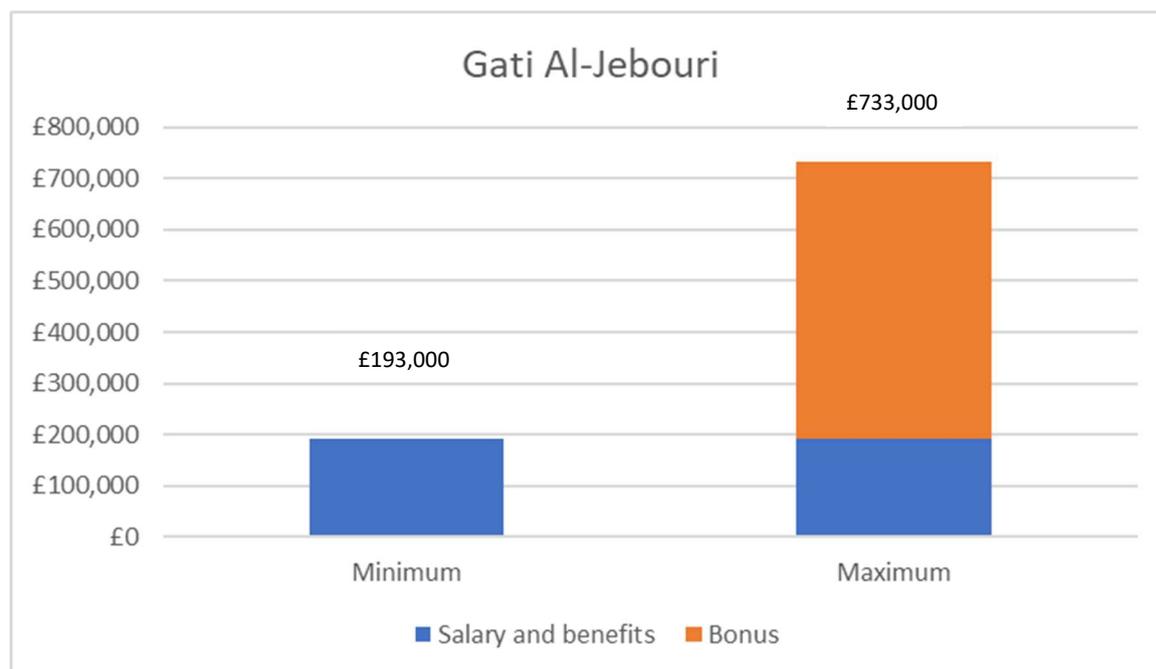
Component	Purpose	Operation	Opportunity & Performance framework	Recovery/withholding of payment
Executive Directors				
Base salary	To recognise skills, responsibility, accountability, experience & value	Considered by remuneration committee on appointment, set at a level considered appropriate to attract, retain, motivate and reward the right individuals	No prescribed maximum and no performance conditions attached to base salaries	Paid monthly in cash with no provision for recovery as not performance-related
Pension & benefits	To provide retirement and other benefits	Considered as part of a base package to best suit the needs of the individual and company, within market norms	Pension contributions of 3% are available to UK-based directors as for other staff	
Annual bonus	To reward and incentivise	To reflect the performance of the business and the contribution of the individual to that performance	At the absolute discretion of the Remuneration Committee based on the financial performance of the company, any bonus payable shall be such proportion of the existing basic annual salary as may be determined up to a maximum of 300% of the basic salary	Any bonus scheme will include measures to ensure that the reward is linked to the final outcome of the related achievement
Share options	To provide with a long-term interest in the company	Share options may be granted under an existing approved scheme or on an unapproved basis	Share options will be offered by the remuneration committee as appropriate and may involve performance criteria	Any new share option scheme will include measures to ensure that the reward is linked to the final outcome of any related achievement

Directors' Remuneration Policy



Component	Purpose	Operation	Opportunity & Performance framework	Recovery/withholding of payment
Non-executive Directors				
Fees	To recognise skills, responsibility, accountability, experience & value	Considered by Board on appointment, set at a level considered appropriate to attract, retain and motivate the right individuals and to reflect time spent on the role	No prescribed maximum and no performance conditions attached to fees	Paid in cash with no provision for recovery as not performance-related
Pension & benefits	N/A	N/A	N/A	
Bonus & Share options	To provide with a long-term interest in the company	Share options may be granted under an existing approved scheme or on an unapproved basis	Share options will be offered by the Board as appropriate and may involve performance criteria	Any new share option scheme will include measures to ensure that the reward is linked to the final outcome of any related achievement

An indication of the remuneration that would be received by the Executive Director in the 12 months commencing 28 July 2020 in accordance with the directors' remuneration policy is shown below.



Assumptions

Minimum

Consists of base salary and benefits. Mr Al-Jebouri's base salary and benefits for 2020-2021 are assumed at the levels announced in April 2020, being salary of £180,000 and health insurance worth £13,000.

Maximum

Based on the minimum, enhanced by the maximum bonus available in an exceptional year (300% of base salary).

Approach to recruitment remuneration

All appointments to the Board are made on merit. The components of the remuneration package (for a new director who is recruited within the lifetime of the approved remuneration policy) would comprise base salary, pension, benefits and an opportunity to earn an annual bonus and be granted share options as outlined above. The approach to such appointments is detailed within the policy summary above. The company will pay remuneration to new directors at a level that will enable it to attract appropriately skilled and experienced individuals but which is not, in the opinion of the remuneration committee, excessive.

Service contracts

Executive Directors have contracts of employment with the company and non-executive Directors have contracts of service. No Director has a contract with the company nor any affiliate of the company with a fixed term in excess of 12 months. Directors' notice periods are set in line with market practice and are of a length considered sufficient to ensure an effective handover of duties should a Director leave the company.

Payment for loss of office

Termination payments will be calculated in accordance with the existing contract of employment or service contract. It is the policy of the remuneration committee to issue employment contracts to executive directors with normal commercial terms and without extended terms of notice which could give rise to extraordinary termination payments.

Mr Al-Jebouri's employment contract provides for a minimum notice period for either party of 12 months. In the event of a change of control of the company that leads (directly or indirectly) to his departure within 12 months of that change of control, he would be entitled to 2 years' basic pay, gross annual cash value of 2 years' existing contractual benefits and 2 times an average of his bonus received in the prior 2 years.

Consideration of employment conditions elsewhere in the company

In setting this policy for directors' remuneration the remuneration committee has been mindful of the company's objective to reward all employees fairly according to their role, performance and the market forces. In setting the policy for Directors' remuneration the committee had considered the pay and employment conditions of the other employees within the company but no formal consultation has been undertaken with employees in drawing up the policy. The committee has not used formal comparison measures.

Consideration of shareholder views

No shareholder views have been taken into account when formulating this policy. In accordance with regulations, an ordinary resolution for approval of this policy will be put to shareholders at the forthcoming EGM.