

KUWAIT ENERGY PLC
(the **Company**)

CHARTER OF THE REMUNERATION COMMITTEE

Constitution

1. It is resolved that a committee of the board be established, to be known as the remuneration committee. The committee shall be responsible for (a) determining the remuneration packages of the chairman, executive directors and company secretary (the “**Board Executives**”), and (b) receiving for information the remuneration packages of the senior vice presidents and other executives of the Group who report directly to the chief executive officer of the Company (the “**Executive Officers**”). For this purpose “Group” includes the Company, Kuwait Energy Kscc, and their respective subsidiaries. The remuneration committee shall also advise the Board as to the potential impact of its decisions on the remuneration packages of other senior executives.

Membership

2. The remuneration committee members shall be appointed by the board, on the recommendation of the nomination committee in consultation with the chairman of the remuneration committee (if one is then appointed), in accordance with the Company’s articles of association.
3. The remuneration committee shall comprise a minimum of two members, all of whom shall be non-executive directors. The chairman of the board may also serve on the remuneration committee as an additional member if he or she is then considered independent.
4. The chairman of the remuneration committee shall be an independent non-executive director appointed by the board on the recommendation of the nomination committee from among the members of the remuneration committee. In the absence of the chairman of the remuneration committee (and/or an appointed alternate member), the members present at any meeting of the committee shall elect one of their number to chair the meeting who would qualify under this charter to be appointed to that position by the board. The chairman of the board shall not be chairman of the remuneration committee.
5. The chairmen and members shall be listed each year in the annual report of the Company.
6. Each member shall hold office as a committee member for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the remuneration committee.
7. If any member of the remuneration committee is unable to act for any reason, the chairman of the remuneration committee may appoint another non-executive director of the Company or chairman of the board (providing he is an independent director) agreed by the other members of the remuneration committee, to act as that member’s alternate.
8. The company secretary or his or her nominee shall be the secretary of the remuneration committee.

Meetings

9. The remuneration committee shall meet at least twice in each year and otherwise as the chairman of the remuneration committee shall require. In addition any member of the remuneration committee may requisition an additional meeting to be held. All meetings shall be convened by the company secretary at the request of the chairman or other member of the remuneration committee. All persons

entitled to be present at any meeting of the remuneration committees shall receive notice of its meetings.

10. No one other than the chairman, other members of the remuneration committee and other non-executive directors is entitled to be present at a meeting of the remuneration committee. The chairman and members of the remuneration committee shall, however, have the discretion to resolve that other individuals (such as the chairman of the Company, the chief executive, the company secretary (and/or, if agreed by the chairman of the committee, his or her nominee) the head of human resources and external advisers) may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
11. The remuneration committee may consult the other non-executive directors in its evaluation of the executive chairman and/or the chief executive.
12. No person shall be present at any meeting of the remuneration committee when his own remuneration is being discussed. No person shall be involved in any decision as to his or her own remuneration.
13. The quorum for meetings of the remuneration committee shall be two members present throughout the meeting in person or by telephone. A duly convened meeting of the remuneration 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 remuneration committee.
14. Unless otherwise agreed, notice of each meeting of the remuneration committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall be forwarded to each member of the remuneration committee and to each other person invited to attend, no later than five working days prior to the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the remuneration committee to all members of it and to arrange such meetings so that members are able to attend them.
15. A member of the remuneration committee may participate in a committee meeting by telephone.
16. In the event of an equality of votes, the chairman of the remuneration committee shall have a casting vote.
17. If present, the company secretary (or his or her nominee) shall act as secretary of the remuneration committee. If not present, then the members of the remuneration committee shall designate one of those present as secretary for the purpose of the meeting. The secretary of the remuneration committee (or such nominee) shall prepare minutes of any meeting of the remuneration committee, which shall include names of those present and in attendance and, after approval and signature by the chairman of the remuneration committee, shall circulate the minutes to all members of the remuneration committee and to the chairman of the board and, once agreed, to all other members of the board, unless it would be inappropriate to do so.
18. To the extent practicable, the chairman of the remuneration committee shall be available to answer questions about the committee's activities at the annual general meeting of the Company and other members of the remuneration committee shall also attend the annual general meeting.

Duties

19. The duties of the remuneration committee in relation to the Board Executives shall be to determine all aspects of their remuneration packages, including in relation to all the matters listed below. In

relation to the Executive Officers the remuneration committee shall be entitled to receive for information details of the following as they apply to the Executive Officers:

- (a) proposals for the remuneration packages. This shall include giving full consideration to the matters set out in Section D (headed “Remuneration”) of, and Schedule A to, the UK Corporate Governance Code, including advising in relation to the following in respect of each Executive Officer:
 - (i) a service contract;
 - (ii) any benefit, pension and/or incentive scheme entitlement;
 - (iii) any other bonuses, fees and expenses; and
 - (iv) any compensation payable (including pension contributions) on the termination of a service contract.
- (b) in relation to any cash bonus and existing or new equity incentive plans of the Group including The Kuwait Energy plc Employee Incentive Plan (the **Plans**):
 - (i) the policy for the grant of awards/options, to ensure that they are provided with appropriate incentives consistent with the Group’s overall remuneration policy;
 - (ii) awards/options, including consideration of the quantum of grants and vesting schedules;
 - (iii) performance targets in connection with the awards and options;
 - (iv) where appropriate, in conjunction with the Company’s auditors, determining whether such performance targets have been satisfied;
 - (v) any amendments to the Plans prior to obtaining any necessary shareholder approval; and
 - (vi) in relation to the Plans the exercise of any discretion specified in the rules of the Plans and generally oversee the administration of Plans and in relation to other employees determine guidelines for the exercise of discretion by appropriate management and review how this is exercised;
- (c) any major changes in employee benefit structures throughout the Group, and advise the board on any major changes which relate to other staff; and
- (d) the remuneration packages of newly appointed Executive Officers.

20. In addition the remuneration committee shall

- (a) make recommendations to the board on the Group’s framework of executive remuneration and its cost giving full consideration to the matters set out in Section D (headed “Remuneration”) of, and Schedule A to, the UK Corporate Governance Code;

- (b) be aware of pay and employment conditions of employees within the Group, including monitoring the level and structure of remuneration for senior executives;
 - (c) review human resources policies for employees who are below the Executive Officers, as and when the remuneration committee thinks necessary;
 - (d) consider whether the Company's remuneration strategy is compatible with the Company's risk management policies;
 - (e) make available this charter, explaining its role and the authority delegated to it by the board by including the information on the Company's website;
 - (f) consider any other matters as referred to the remuneration committee by the board; and
 - (g) investigate any activity within the scope of its duties.
21. The remuneration of non-executive directors shall be a matter for the chairman and executive members of the board;

Reporting responsibilities

22. The chairman of the remuneration committee shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
23. The remuneration committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
24. The remuneration committee shall approve an annual remuneration report to shareholders. The report will form part of, or be annexed to, the Company's annual report and accounts and will be put to shareholders for approval at the Annual General Meeting.

Performance, resources and training

25. The remuneration committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
26. The remuneration committee is authorised by the board to obtain inside and outside legal or other professional advice including (subject to any budgetary restraints imposed by the board) information about remuneration practices elsewhere, at the Company's expense. The remuneration committee may, if it thinks fit, supply to others in confidence information about the Group's remuneration practices and, secure the attendance at meetings of outsiders with relevant experience and expertise. The terms of reference of such advisors, together with a statement of whether they have any other connection with the Company, may be made available (by placing them on the Company's website);
27. The remuneration committee is authorised to seek any information it requires from any employee of the Company or Group company in order to perform its duties.
28. The remuneration committee shall 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.

29. The remuneration committee shall give due consideration to laws and regulations of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules (even in advance of the Company being subject to them) and any other applicable rules, as appropriate.
30. The remuneration committee shall arrange for periodic reviews of its own performance and, at least annually review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.



Mansour Aboukhamseen

Chairman

Approved at a meeting of the board of directors of the Company held on 20 April 2013.