

DIVERSIFIED ENERGY COMPANY PLC

**REMUNERATION COMMITTEE
CHARTER**

1. DEFINITIONS AND INTERPRETATION

1.1 In this charter, unless the context otherwise requires:

“**AGM**” means the annual general meeting of the shareholders of the Company;

“**Board**” means the board of directors of the Company;

“**Chair**” means the chair of the Board;

“**Chief Executive Officer**” means the chief executive officer of the Company from time to time;

“**Committee**” means the remuneration committee of the Company;

“**Committee Chair**” means the chair of the Committee;

“**Company**” means Diversified Energy Company PLC;

“**Executive Directors**” means the Chief Executive Officer and the Chief Operating Officer (to the extent sitting on the Board as a director);

“**Group**” means the Company and its subsidiaries;

“**Nomination Committee**” means the nomination committee of the Company;

“**NYSE**” means the New York Stock Exchange;

“**Plans**” the Company’s incentive compensation and equity-based plans and arrangements;

“**SEC**” means the Securities and Exchange Commission;

“**Secretary**” means the secretary of the Committee;

“**Senior Management**” includes those employees of the Group who report to the Chief Executive Officer - including the Chief Operating Officer (except to the extent deemed an Executive Director hereunder), General Counsel, Chief Commercial Officer, and Chief Financial Officer.

“**UK Corporate Governance Code**” means the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time; and

“**Workforce**” means such persons engaged under an employment contract (permanent, fixed-term or zero-hours) or a contract, or other arrangement to do work or provide services personally to the Company, but shall not include Executive Directors or Senior Management.

2. PURPOSE

The purpose of the Committee is to establish a formal and transparent procedure for developing policy on executive remuneration and to set or oversee as appropriate the remuneration packages of individual directors and Senior Management of the Company.

3. AMENDED AND RESTATED CHARTER; NAME OF COMMITTEE

The Committee’s charter was amended and restated in its entirety and approved on December 4, 2023, and the Committee is to be known as the Remuneration Committee.

4. MEMBERSHIP

- 4.1 The Committee must have at least three members. Members of the Committee are appointed by the board on the recommendation of the Nomination Committee in consultation with the chair of the Committee. All members of the Committee must be independent non-executive directors, as determined in accordance with the UK Corporate Governance Code. Each director shall satisfy the independence requirements of the NYSE, except as otherwise permitted by applicable NYSE rules, and meet all other applicable independence standards for members of remuneration committees, unless otherwise determined by the Board.

The Chair of the board may be a member of, but not chair, the Committee provided he or she was considered independent on appointment. If the board decides that a member of the Committee is no longer independent, that member will cease to be a member of the Committee.

- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer and external professional advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 4.3 All appointments to the Committee shall be made by the Board and shall be for a period of up to three years, which may be extended for a further period of up to three years, provided the members still meet the criteria for membership of the Committee. The Chair shall ensure the composition of the Committee is periodically reviewed by the Nomination Committee. Committee members must be appointed and may be removed, with or without cause, by the Board.
- 4.4 The Board shall appoint the Committee Chair who shall be an independent non-executive director. If practical, before being appointed as Committee Chair, the appointee should have served on a remuneration committee for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under this charter to be appointed to that position by the Board.
- 4.5 If any member of the Committee is unable to act for any reason, the Committee Chair may appoint any other independent non-executive director of the Company to act as his or her alternate. Decisions of the Committee will be made by majority vote. In the event of an equality of votes, except where he or she has a personal interest, the Chair (if on the Committee) shall have a casting vote.
- 4.6 The Company Secretary or his or her nominee, or a nominee of the Committee Chair, shall act as the Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

5. QUORUM

The quorum necessary for the transaction of business by the Committee shall be two. 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.

6. FREQUENCY OF MEETINGS

The Committee shall meet at least twice a year and at such other times as required. Decisions may be taken by the Committee without a meeting if all of the members of the Committee provide their approval in writing.

7. NOTICE OF MEETINGS

- 7.1 Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair. Any two members or the Committee Chair may call a meeting of the Committee upon due notice to each other member at least 48 hours prior to the meeting.
- 7.2 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 by the Secretary to each member of the Committee, any other person required to attend and all other non-executive directors no later than 48 hours prior to the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

8. MINUTES OF MEETINGS

- 8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The members of the Remuneration Committee shall, at the beginning of each meeting, declare the existence of any conflicts of interest arising and the Secretary shall minute them accordingly.
- 8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once agreed, minutes should be circulated to all other members of the Board, unless a conflict of interest exists or in the opinion of the Committee Chair it would be inappropriate to do so.
- 8.3 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records.

9. ANNUAL GENERAL MEETING

The Committee Chair shall attend the AGM prepared to make a statement on the activities and achievements of the Committee over the previous year and respond to any shareholder questions on the Committee's activities.

10. DUTIES

- 10.1 The Committee should carry out the duties below for the Company and the Group as a whole, as appropriate. Although the Committee may receive input and advice from internal management, external professional advisors and/or external remuneration consultants, the Committee should exercise independent judgement when carrying out its duties, having regard to their directors' duties and the Company's wider circumstances.
- 10.2 The Committee shall:
- (a) determine the policy for the remuneration (including pension rights and any compensation payments) of the Executive Directors for approval by shareholders, where by law required or desirable;
 - (b) determine the total individual remuneration package of the Chair, each Executive Director and Senior Management including management bonuses, incentive payments, share options, restrictive stock units (including, if relevant, the minimum number of shares to be held and the period, if any, for which these should be held after vesting), pension arrangements and any other benefits. The Chief Executive Officer shall make recommendations to the Committee on the same with respect to Senior Management. The remuneration of non-executive directors should be determined in accordance with the terms of the Company's articles of association, or, alternatively, by the Board. No

director or manager shall be involved in any decisions as to his or her own remuneration;

- (c) in determining the level of remuneration for the Chair and all non-executive directors, consider the time commitment and responsibilities of their respective roles;
- (d) annually review and approve corporate goals and objectives relevant to the compensation of the Executive Directors and the Senior Management, and evaluate the performance of such individuals in light of those goals and objectives, and, based upon this evaluation (either alone or, if directed by the Board, in conjunction with a majority of the independent directors on the Board), will set the Executive Directors' compensation;
- (e) in determining such remuneration policy,
 - (i) take into account all factors which it deems necessary including relevant legal and regulatory requirements, pay and employment conditions across the Company and the Group and its peer group, the principles and provisions of the UK Corporate Governance Code and associated guidance, including the Guidance on Board Effectiveness;
 - (ii) determine an appropriate balance between fixed and performance-related remuneration;
 - (iii) have regard to the risk appetite of the Company, alignment to the Company's long-term strategic goals and views of the shareholders and other stakeholders; and
 - (iv) ensure that the following are considered and addressed: (i) clarity; (ii) simplicity; (iii) risks associated with excessive awards; (iv) potential reward delivered; (v) link between pay, strategy and long-term company performance; and (vi) alignment to culture;

The objective of such remuneration policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to the views of shareholders and other stakeholders. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;

- (f) review the on-going appropriateness and relevance of the remuneration policy;
- (g) ensure that remuneration schemes and policies should enable the use of discretion to override formulaic outcomes, including examples of circumstances that may enable the Company to recover / withhold sums or shares awards;
- (h) ensure that contractual terms on termination (and any payments made / non-cash benefits provided) are in line with the Company's remuneration policy, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (i) approve the design of (inclusive of targets) any performance-based incentive plans operated by the Company and assess and approve of any total annual pool(s) under such schemes (in accordance with the UK Corporate Governance Code);

- (j) review pension arrangements for each Executive Director and Senior Management in the context of the approach taken for the wider Workforce;
- (k) review the design of all Plans for approval by the Board and shareholders (if required by law or desirable). For any such Plans, determine each year whether awards will be made, and if so, the overall pool amount of such awards and the performance targets to be used. The Committee has full authority to administer the Plans (except to the extent the terms of a Plan require administration by the full Board), and to make grants of cash-based and equity-based awards under the Plans;
- (l) develop a formal policy for post-employment shareholding requirements for vested and unvested shares;
- (m) review Workforce remuneration policies and practices to ensure they are aligned to the long-term strategic goals of the Company and take these into account when setting Executive Director remuneration with a view to making recommendations to the Board for any potential material modifications;
- (n) in determining such remuneration packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the UK Financial Conduct Authority's Listing Rules and associated guidance;
- (o) approve any major changes in employee benefits structures throughout the Company or the Group and review benefits plans annually;
- (p) approve annual salary adjustment pool for non-Executive/Senior Management (as applicable);
- (q) agree the policy for authorising claims for expenses from the directors;
- (r) be exclusively responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of engagement for any remuneration consultants who advise the Committee;
- (s) obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity, including in the Company's peer group. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board;
- (t) exercise independent judgement when evaluating the advice of consultants and other third parties and not base pay structures solely on benchmarking to the market;
- (u) work and liaise as necessary with all other Board committees; and
- (v) administer and oversee the Company's compliance with the compensation recovery policy required by applicable SEC and NYSE rules.

11. REPORTING RESPONSIBILITIES

- 11.1 The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.

- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 Through the Chair, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.
- 11.4 If required by law or otherwise determined by the Board, (a) the annual report on remuneration will be subject to an annual shareholder vote, and (b) the remuneration policy shall be voted on by shareholders at least once every three years.
- 11.5 The Committee shall annually perform an evaluation of the performance of the Committee.
- 11.6 The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Companies (Miscellaneous Reporting) Regulations 2018 and the UK Corporate Governance Code, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the AGM.
- 11.7 If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or individual directors.
- 11.8 In particular, the Committee should ensure that the remuneration report sets out the work done to satisfy the Committee that the remuneration structure is appropriate, including the engagement that has taken place with the Workforce, shareholders and the extent of any discretion applied by the Committee. To the extent required by law or otherwise determined by the Board, in accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Committee will report on the ratios of pay between the Chief Executive Officer and required percentiles of the Company's employees.
- 11.9 The Committee shall have the authority to delegate to any subcommittees of the Committee any responsibilities of the full Committee and to officers of the Company such responsibilities of the full Committee, in each case to the extent permitted by applicable laws, rules or regulations.

12. OTHER MATTERS

- 12.1 The Committee shall:
- (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and employees for assistance as required;
 - (b) 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;
 - (c) annually review or participate in a review of its own performance, the results of which shall be presented to the Board and, at least annually, review its constitution and charter periodically to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
 - (d) 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 including but not limited to the general duties of directors set out in the Companies Act 2006, the provisions of the

UK Corporate Governance Code and the related Guidance for Board Effectiveness, and the requirements of the UK Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and guidelines published by the Association of British Insurers and the National Association of Pension Funds, and any other applicable rules, as appropriate;

- (e) arrange for periodic reviews of its own performance and, at least annually, review its constitution and charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- (f) make publicly available its charter explaining clearly the role of the Committee and the authority delegated to it by the Board.

13. AUTHORITY

The Committee may, in its sole discretion, retain or obtain advice from compensation consultants, legal counsel or other advisers (independent or otherwise), provided that, preceding any such retention or advice, the Committee must take into consideration all factors, including any applicable factors under NYSE rules, relevant to the adviser's independence from management. The Committee will be directly responsible for the appointment, compensation and oversight of any adviser it retains. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.

14. CHIEF EXECUTIVE OFFICER AUTHORITY

- 14.1 For clarity, nothing herein shall restrict the Chief Executive Officer from exercising the authority to set individual levels and amounts of compensation for the Workforce, including salaries, bonuses, and equity grants, and to determine benefits for the same within the parameters approved under any applicable sections of this Charter.