

KENMARE RESOURCES PLC

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. Constitution

1.1 The remuneration committee (the “**Committee**”) has been constituted as a committee of the board of directors (the “**Board**”) of Kenmare Resources plc (the “**Company**”) in accordance with the articles of association of the Company.

1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the company secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. Role

2.1 The role of the Committee is to assist the board to fulfil its responsibility to shareholders to ensure that remuneration policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.

2.2 In particular the Committee shall consider:

- (a) remuneration policies, including base pay, long and short term incentives;
- (b) remuneration practice and its cost to the Company;
- (c) recruitment, service contracts and severance policies;
- (d) pension and superannuation arrangements and other benefits; and
- (e) the engagement and independence of external remuneration advisers.

3. Duties and Terms of Reference

The Committee shall carry out the following duties for the Company and its subsidiaries (the “**Group**”) as appropriate:

Remuneration policy

3.1 The Committee shall:

- (a) determine and agree with the Board the policy for the remuneration and benefits of:
 - (i) the chairman of the Company;
 - (ii) executive directors; and
 - (iii) such other members of the executive management as it is designated to consider (“**relevant executives**”).

The remuneration of the senior independent director and non-executive directors of the board will be a matter for the chairman and the executive directors.

No director or relevant executive shall be involved in any decisions as to their own remuneration.

- (b) in determining the remuneration policy, and particularly when determining annual salary increases for directors, consider:
 - (i) all relevant legal and regulatory requirements;
 - (ii) the provisions and recommendations of the UK Corporate Governance Code (the “Code”) and associated guidance;
 - (iii) an appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration;
 - (iv) the need to promote the long-term success of the Company without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensuring that executive directors and senior executives are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions;
 - (v) the business strategy of the Group and how the policy reflects and supports the business strategy;
 - (vi) the Company’s risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company’s risk policies and systems and long term strategic goals;
 - (vii) remuneration trends and employment conditions across the Company and the Group; and
 - (viii) the transparency of the performance-related elements, ensuring they are stretching and rigorously applied.
- (c) review the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders as appropriate;
- (d) determine, within the terms of the agreed remuneration policy, the total remuneration package for the Company chairman and each element of the total individual remuneration package for each executive director and relevant executive; and
- (e) engage in appropriate discussions as necessary with institutional investors on policy or any other aspects of remuneration.

Share based remuneration

3.2 The Committee shall:

- (a) recommend for approval by the Board the design of, and determine the targets for, the operation of all long term incentive schemes, in which executive

directors and relevant executives participate. For any such plans, determine each year whether the awards will be made, and if so, approve the levels of participation in such schemes by those individuals;

- (b) monitor and assess any performance conditions applicable to any long term incentive awards granted under any schemes adopted by the Company; and
- (c) design and invoke agreed safeguards, for example clawback, to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements.

Bonus arrangements

3.3 The Committee shall:

- (a) consider whether the directors and relevant executives should be eligible for annual bonuses; and
- (b) in relation to any bonus scheme operated by the Company, determine annual targets and key performance indicators for, and assess performance against targets and key performance indicators, by the Company, individual executive directors and relevant executives.

Pensions

3.4 The Committee shall review the pension arrangements for the executive directors and relevant executives and in particular the pension consequences and associated costs to the Company of basic salary increases and any other changes in pension remuneration.

Remuneration consultants

3.5 The Committee shall:

- (a) to help it fulfil its obligations and to enable it to judge where to position the Company relative to other companies, 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; and
- (b) be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

Service contracts and severance

3.6 The Committee shall:

- (a) approve the terms of the service contracts for executive directors and relevant executives and any material amendments to those contracts; and
- (b) determine the policy for, and scope of, termination payments and compensation commitments for each executive director and relevant executive.

Shareholders

- 3.7 The Committee shall report annually to shareholders on matters relating to executive remuneration including the information required to be disclosed by the Companies Act 2014 (including any regulations made under that Act), the Code, the UK Listing Rules (as published by the Financial Conduct Authority) (the “**Listing Rules**”) and any other relevant statutory, regulatory or governance codes;

Other matters

- 3.8 The Committee shall:
- (a) monitor and review the level and structure of remuneration of senior management in the context of the pay policy of the Group as a whole, pay and conditions elsewhere in the Group, and the overall cost to shareholders;
 - (b) keep abreast of external remuneration trends and market conditions including receiving an annual presentation from its external remuneration consultants;
 - (c) oversee any major changes in remuneration and employee benefits structures throughout the Company;
 - (d) agree the policy for authorising claims for expenses from the directors;
 - (e) decide on any ex-gratia payments to be made and benefits granted to directors and senior executives and their surviving spouses;
 - (f) exercise any discretion or judgment on remuneration issues in accordance with the remuneration policy;
 - (g) consider such other matters as are referred to the Committee by the board; and
 - (h) work and liaise as necessary with all other board committees.

4. Membership

- 4.1 The Committee shall comprise a minimum of three members. Each Committee member shall be an independent non-executive director as determined by the Board (in accordance with the principles of the Code), save that the chairman of the Board may be a member of the Committee if he or she was considered to be independent on appointment as chairman. The chairman of the Board shall not chair the Committee.
- 4.2 The Board shall appoint members of the Committee.
- 4.3 The board shall appoint the chairman of the Committee from among the independent non-executive directors. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.
- 4.4 The Committee chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 4.5 The company secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5. **Attendance at Meetings**

- 5.1 The Committee shall meet at least two times a year and otherwise as required.
- 5.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the managing director, 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 and with the agreement of the Committee chairman.
- 5.3 No person (including directors and the chairman) of the Company shall participate at a meeting of the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.
- 5.4 Through the chairman of the board, the Committee shall ensure that the Company (whether through the Committee or otherwise) maintains contact as required with its principal shareholders about remuneration.
- 5.5 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6. **Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.
- 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 member of the Committee and any other person required to attend, no later than five calendar 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, but Committee papers may be forwarded at shorter notice with the approval of the Committee chairman.

7. **Quorum**

- 7.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members.
- 7.2 A duly convened Committee meeting 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. **Voting Arrangements**

- 8.1 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting.
- 8.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 8.3 Except where he has a personal interest, the Committee chairman shall have a casting vote.

8.4 The Committee chairman may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

9. **Minutes of Meetings**

9.1 The company secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

9.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other non-executive directors and, at the discretion of the Committee chairman, to all other board members unless in the opinion of the Committee chairman it would be inappropriate to do so.

10. **Reporting Responsibilities**

10.1 The Committee shall:

- (a) report to the board on its proceedings after each meeting on all matters within its duties and responsibilities;
- (b) make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed; and
- (c) prepare a formal report for shareholders to be included in the Company's annual report (as referred to in paragraph 3.7 of these terms of reference).

11. **General Matters**

11.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretary and management for assistance as required;
- (b) give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes including but not limited to the provisions of the Code and the requirements of the Listing Rules;
- (c) work and liaise as necessary with all other board committees; and
- (d) 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.

12. **Authority**

12.1 The board authorises the Committee to:

- (a) carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary;

- (b) seek any information it requires from any employee of the Group to perform its duties; and
- (c) secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.

Adopted at the board meeting of the Company on 12th March 2018.