

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what action you should take you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser which, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 or the European Communities (Markets in Financial Instruments Directive) Regulations 2007 (as amended) or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended) of the United Kingdom or, if you are taking advice other than in Ireland or the United Kingdom, is an appropriately authorised independent adviser.

If you have sold or otherwise transferred all your shares, please forward this document together with the form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for delivery to the purchaser or transferee.

**LETTER FROM THE CHAIRMAN  
AND NOTICE OF ANNUAL GENERAL MEETING**

The logo for Kenmare Resources plc, featuring the word "KENMARE" in a bold, white, sans-serif font centered on a solid black rectangular background.

**KENMARE**

Notice of the Annual General Meeting of Kenmare Resources plc  
to be held on 25 May 2017 at 11.00 a.m.  
at The Westbury Hotel, Grafton Street, Dublin 2 is set out in this document

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Website : www.kenmareresources.com Email: info@kenmareresources.com

To the Shareholders,  
Kenmare Resources plc (“**Kenmare**” or the “**Company**”)

18 April 2017

## **NOTICE OF ANNUAL GENERAL MEETING (“AGM”)**

Dear Shareholder,

I enclose for your attention Notice of the AGM of Kenmare, and invite you to join me on 25 May 2017 at The Westbury Hotel, Grafton Street, Dublin 2 at 11.00 a.m.

The resolutions to be proposed at the forthcoming AGM are set out in the Notice of AGM on pages 3 to 4 of this circular, with further explanatory notes set out on pages 5 to 15 of this circular.

I would encourage all Shareholders to read the Company’s business and strategy review for 2016 contained in the Annual Report, which is available on [www.kenmareresources.com](http://www.kenmareresources.com).

In line with Kenmare’s commitment to best practice in corporate governance, all of the Directors will retire and those except for Ms. Sofia Bianchi shall submit themselves for re-election by the shareholders. Sofia has provided great service to the Board and the Company as a Non-Executive Director for the last nine years. Sofia has agreed with the Board that she will resign as a Director of the Company on the date of the AGM and will, accordingly, not stand for re-election at the AGM. I would like to extend my thanks and deep appreciation for all that she has done for the Company

In October 2016, Mr. Tim Keating and Mr. Graham Martin were appointed to the Board as Non-Executive Directors. In line with Kenmare’s Articles of Association, both Tim and Graham will offer themselves for election at the AGM, and I recommend them for election by shareholders to the Board.

The performance of the Board is reviewed annually, and each of the Directors has made a substantial contribution to the leadership and governance of the Company during the year. A brief biography of each of the Directors standing for re-election is set out in the notes to the resolutions.

This year, once again and in line with the recommendations of the UK Corporate Governance Code, shareholders are being asked to consider the Directors’ Remuneration Report for the year ended 31 December 2016. Shareholders are also being asked to approve the Directors’ Remuneration Policy. The Company has no legal obligation to put such resolutions to its shareholders, and the resolutions are advisory resolutions which will not be binding on the Company. They are being put to shareholders in accordance with the Company’s commitment to best corporate governance practice and as an acknowledgment of shareholders’ right to have a “Say-on-Pay”. The Board will take due notice of shareholder feedback on the policy and it is the Board’s intention to operate in line with the approved policy. The Company would seek a further advisory vote from its shareholders should the current policy change or, if earlier, in three years’ time.

As part of the change in policy, Kenmare intends to replace the Kenmare Incentive Plan (“**KIP**”) with an annual bonus and separate long-term share award under a new share plan, the Kenmare Restricted Share Plan (“**KRSP**”). Shareholders are being asked to approve the KRSP as an item of special business.

The other items of special business relate to the renewal for a further 12 month period of share allotment authorities previously given and are matters which are now standard for most public companies.

Your participation at the AGM is important for the Company and I would encourage every shareholder to take part in the meeting, either by attending the AGM or (if you are not able to attend) by casting your vote by proxy. Details of how you can vote, either in person or by proxy, are set out in the general notes to this circular.

Your Board believes that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of shares in the Company.

Yours sincerely,

Steven McTiernan  
**Chairman**

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Annual General Meeting of Kenmare Resources plc will be held at The Westbury Hotel, Grafton Street, Dublin 2 on 25 May 2017 at 11.00 a.m. for the following purposes:

### **Ordinary business**

1. Following a review of the Company's affairs, to consider the Financial Statements and the Directors' Report and the Independent Auditors' Report thereon for the year ended 31 December 2016.
2. To consider the Directors' Remuneration Report (other than the Directors' Remuneration Policy) as set out on pages 62 to 73 of the Annual Report for the year ended 31 December 2016.
3. To approve, on an advisory basis, the Directors' Remuneration Policy as set out on pages 74 to 83 of the Annual Report for the year ended 31 December 2016.
4. To re-elect the following Directors:
  - (a) Mr. M. Carvill
  - (b) Mr. T. Fitzpatrick
  - (c) Ms. E. Headon
  - (d) Mr. T. McCluskey
  - (e) Mr. S. McTiernan
  - (f) Mr. G. Smith

(each of which shall be proposed as a separate resolution).

5. To elect the following Directors:

- (a) Mr. T. Keating
- (b) Mr. G. Martin

(each of which shall be proposed as a separate resolution).

6. To authorise the Directors to fix the remuneration of the Auditors.
7. To consider and, if thought fit, pass the following resolution as a special resolution:

That, for the purpose of article 50(a) of the Articles of Association of the Company, the Directors be and are hereby generally and unconditionally authorised to call a general meeting, other than an annual general meeting or a meeting for the passing of a special resolution, on not less than 14 days' notice. The authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting.

### **Special business**

8. To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That:

- (i) the rules of the Kenmare Resources plc Restricted Share Plan (the "KRSP") (the principal features of which are summarised in Appendix A to this notice of annual general meeting and a copy of which is produced in draft to the meeting, initialled by the Chairman of the meeting for the purposes of identification) be and are hereby approved, and the Directors of the Company be and are hereby authorised to do all such things in accordance with applicable law as may be necessary or desirable to carry the KRSP into effect, including making such modifications as the Directors consider appropriate to take account of the requirements of the Financial Conduct Authority, the Irish Stock Exchange plc, the Revenue Commissioners of Ireland, HM Revenue and Customs and best practice;
- (ii) the Directors be authorised to adopt further schemes for the benefit of employees outside Ireland and the UK based on the KRSP but modified to take account of local tax, exchange control or securities law in overseas territories, provided that any shares made available under such further schemes are treated as counting against any limits on individual or overall participation in the KRSP; and

(iii) the establishment of an employee benefit trust to be known as “The Kenmare Employee Benefit Trust” (the principal features of which are summarised in Appendix A to this notice of annual general meeting) to be used in conjunction with the KRSP and any outstanding share awards under the Kenmare Incentive Plan 2014 and to be constituted by a trust deed be and is hereby approved and the Directors be and are hereby authorised to establish such employee benefit trust and to do all acts and things which they may consider necessary or expedient for the purpose of carrying such employee benefit trust into effect.

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 1021 of the Companies Act 2014 to exercise all powers of the Company to allot relevant securities (within the meaning of Section 1021 of the Companies Act 2014) up to an aggregate nominal amount equal to €36,534. The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 25 August 2018 (unless previously renewed, varied or revoked by the Company in general meeting) provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired.

10. To consider and, if thought fit, pass the following resolution as a special resolution:

That, subject to the passing of resolution 9 above, the Directors be and are hereby empowered pursuant to Section 1023 of the Companies Act 2014 to allot equity securities (within the meaning of Section 1023 of the said Act) for cash pursuant to the authority conferred by Resolution 9 above as if sub-Section (1) of Section 1022 of the said Act did not apply to any such allotment and provided that this power shall be limited to the allotment of equity securities:-

- (a) in connection with any offer of securities open for any period fixed by the Directors by way of rights issue, open offer or other invitation to, or in favour of, holders of ordinary shares and holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary but subject to such exclusions or arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal, regulatory or practical problems under the laws of, or the requirements of any recognised body or stock exchange in, any territory; and
- (b) (in addition to the power conferred by paragraph (a) of this resolution), up to a maximum aggregate nominal value equal to the nominal value of 5% of the issued ordinary share capital as at the close of business on the date of passing of this resolution.

The power hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, 25 August 2018 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board,  
Deirdre Corcoran  
*Company Secretary*

**18 April 2017**

## **GENERAL NOTES:**

### **Entitlement to attend and vote**

- (1) Only those Shareholders registered on the Company's register of members:
  - at 6.00 p.m. on the day two days prior to the Annual General Meeting
  - if the Annual General Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting.

### **Information regarding the meeting**

- (2) Information regarding the Annual General Meeting, including the information required by Section 1103 of the Companies Act 2014, is available from [www.kenmareresources.com](http://www.kenmareresources.com).

### **Attending in person**

- (3) The Annual General Meeting will be held at 11.00 a.m. on 25 May 2017 at The Westbury Hotel, Grafton Street, Dublin 2, Ireland. If you wish to attend the Annual General Meeting in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the Annual General Meeting to allow time for registration. Please bring the attendance card attached to your Form of Proxy and present it at the shareholder registration desk before the commencement of the Annual General Meeting.

### **Appointment of proxies**

- (4) A member entitled to attend, speak and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A member may appoint more than one proxy to attend and vote at the Annual General Meeting in respect of shares held in different securities accounts. A member acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees provided each proxy is appointed to exercise rights attached to different shares held by that member. A proxy need not be a member of the Company.
- (5) A Form of Proxy for use by members is enclosed with this Notice of Annual General Meeting (or is otherwise being delivered to Shareholders). Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a shareholder from attending the Annual General Meeting and voting in person should he or she wish to do so.
- (6) To be valid, the Form of Proxy must be delivered to Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18Y2X6, Ireland (if delivered by post) or at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18Y2X6, Ireland (if delivered by hand) as soon as possible and, in any event, so as to be received not less than forty-eight hours before the time for the holding of the meeting, or any adjournment thereof.
- (7) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.
- (8) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland (EUI)'s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Computershare Investor Services (Ireland) Limited, as issuer's agent, (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

- (9) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (10) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.
- (11) In case of a corporation, the instrument shall be executed either under its common seal or under the hand of an officer or attorney duly authorised on its behalf.
- (12) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the Register of Members in respect of a joint holding.
- (13) If a proxy is executed under a power of attorney or other authority, such power or authority (or a duly certified copy of any such power or authority) must be deposited with the Company with the Instrument of Proxy.

### **Action to be taken**

- (14) Electronic proxy appointment is available for the Annual General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the Registrars, [www.eproxyappointment.com](http://www.eproxyappointment.com). There will be a Control Number required in addition to the SRN and PIN in order to log into the meeting which will be printed on all Proxy Cards and outlined in the email broadcast to eComms holders. Alternatively, for those who hold Ordinary Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Computershare (CREST participant ID 3RA50). In each case the proxy appointment must be received by no later than 11.00 a.m. on 23 May 2017.

### **Issued shares and total voting rights**

- (15) The total number of issued ordinary shares on the date of this notice of Annual General Meeting is 109,601,551. On a vote by show of hands every shareholder who is present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every shareholder shall have one vote for every share carrying voting rights of which he is the holder.

The ordinary resolutions require a simple majority of votes cast by shareholders voting in person or by proxy to be passed. The special resolutions require a majority of not less than 75 per cent. of votes cast by those who vote either in person or by proxy to be passed.

### **Questions at the Annual General Meeting**

- (16) Under Section 1107 of the Companies Act 2014, the Company must answer any question you ask relating to the business being dealt with at the Annual General Meeting unless:
- answering the question would interfere unduly with the preparation for the Annual General Meeting or the confidentiality and business interests of the Company;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it appears to the Chairman of the Annual General Meeting that it is undesirable in the interests of good order of the meeting that the question be answered.

## Shareholders' right to table draft resolutions and put items on the agenda

- (17) Pursuant to Section 1104(1)(a) of the Companies Act 2014 and subject to any contrary provision of company law, a shareholder or group of shareholders holding 3% of the Company's issued share capital, representing at least 3% of the total voting rights of all shareholders who have a right to vote at the meeting, have the right to put an item on the agenda of an annual general meeting. In the case of the 2017 Annual General Meeting, the latest date for submission of such requests/resolutions was 13 April 2017 (being 42 days prior to the date of the meeting).

The request:

- may be in hard copy form or in electronic form;
- must set out in writing the details of the item the shareholder(s) wish to have included in the AGM agenda;
- must set out in writing the shareholder(s)' reasons why the item is to be included in the AGM agenda;
- must be authenticated by the person or persons making it (by identifying the shareholder or shareholders meeting the qualification criteria and, if in hard copy, by being signed by the shareholder or shareholders); and
- must be received by the Company not later than 42 days before the meeting to which the request relates.

In addition to the above, any such request should be signed by the shareholder(s), state the full name and address of the shareholder(s) and sent either in hard copy to the Company Secretary, Kenmare Resources plc, Chatham House, Chatham Street, Dublin 2, D02VP46, Ireland, or, if in electronic form, by email to [info@kenmareresources.com](mailto:info@kenmareresources.com).

Any requested item must not be defamatory of any person.

- (18) Pursuant to Section 1104(1)(b) of the Companies Act 2014 and subject to any contrary provision of company law, a shareholder or group of shareholders holding 3% of the Company's issued share capital, representing at least 3% of the total voting rights of all shareholders who have a right to vote at the meeting have the right to table a draft resolution relating to an item on the agenda of a general meeting. In the case of the 2017 Annual General Meeting, the latest date for submission of such resolutions was 13 April 2017 (being 42 days prior to the date of the meeting).

The request:

- may be in hard copy form or in electronic form;
- must set out in writing details of the draft resolution in full or, if supporting a draft resolution sent by another shareholder, clearly identify the draft resolution which is being supported;
- must be authenticated by the person or persons making it (by identifying the shareholder or shareholders meeting the qualification criteria and, if in hard copy, by being signed by the shareholder or shareholders); and
- must be received by the Company not later than 42 days before the meeting to which the request relates.

In addition to the above, any such request should be signed by the shareholder(s), state the full name and address of the shareholder(s) and sent either in hard copy to the Company Secretary, Kenmare Resources plc, Chatham House, Chatham Street, Dublin 2, D02VP46, Ireland, or, if in electronic form, by email to [info@kenmareresources.com](mailto:info@kenmareresources.com).

A draft resolution must not be such as would be incapable of being passed or otherwise be ineffective (whether by reason of inconsistency with any enactment or the Company's Memorandum and Articles of Association or otherwise).

Any draft resolution must not be defamatory of any person.

## **NOTES ON RESOLUTIONS:**

### **Resolution 1: Financial statements**

The Directors will present the report and accounts of the Company for the year ended 31 December 2016. A full copy of the Annual Report is available on [www.kenmareresources.com](http://www.kenmareresources.com).

### **Resolutions 2 and 3: Directors' Remuneration Report**

Resolution 2 is to consider the Directors' Remuneration Report (other than the Directors' Remuneration Policy) as set out in pages 62 to 73 of the Annual Report for the year ended 31 December 2016. Resolution 3 is to approve the Directors' Remuneration Policy as set out on pages 74 to 83 of the Annual Report for the year ended 31 December 2016, both of which are being proposed as advisory resolutions.

Kenmare Resources plc is an Irish-incorporated company and is therefore not subject to the UK company law requirement to submit its Directors' Remuneration Report to a binding policy vote on directors' pay to shareholders. However, we have adopted the remuneration report format set out under UK company law and will submit the Directors' remuneration policy and the annual report on remuneration for the 2016 financial year to shareholders for approval. Given the different legal jurisdiction in which the Company operates, this approval will be on an advisory rather than binding basis. In line with the Company's commitment to good corporate governance, the Board will take due notice of shareholder feedback on the policy and it is the Board's intention to operate in line with the approved policy. The Company would seek a further advisory vote from its shareholders should the current policy change or, if earlier, in three years' time.

A number of changes are proposed to the Directors' Remuneration Policy, the key changes being as follows:

- The Kenmare Incentive Plan 2014 (the "KIP") will be withdrawn for 2017 and no further awards will be made under this plan.
- The KIP will be replaced by a new annual bonus scheme and a separate long-term share award under a new share plan, the KRSP. The overall incentive opportunity under the new policy will be reduced from the current normal maximum of 250% of salary to 175% of salary.
- The annual bonus opportunity will be up to 100% of base salary with performance assessed using a scorecard of measures including operational, financial, safety and environmental and strategic measures.
- Based on the level of achievement against the annual targets, the annual bonus will be paid in cash shortly after the end of the relevant year, though any bonus in excess of 75% of salary will be granted as a deferred bonus award, in the form of nil paid options, under the KRSP which will vest 3 years from the beginning of the annual bonus performance period.
- The long-term share award under the KRSP will be an annual award of up to 75% of salary by way of a restricted share award in the form of a nil-cost option or conditional share award with no performance conditions. The awarded shares will vest 60% after 3 years, 20% after 4 years and 20% after 5 years.
- For the current Executive Directors, the share price used to determine the number of shares to be awarded will not be less than the Open Offer price for the 2016 capital raise (Stg£2.32).

Set out below are the key reasons why the Remuneration Committee believe that the arrangement is in the best interests of shareholders:-

- the structure simplifies our arrangements whilst maintaining our ability to set in year performance targets that present a balanced view of our overall performance and which can reflect our priorities as these change over time;
- it allows us to retain the ability to make robust decisions where we believe the outcomes for management and shareholders are not aligned;
- the long-term elements will help the Executive Directors to rebuild meaningful shareholdings in the Company, whilst the reduction in quantum fairly reflects the greater certainty of payout relative to the KIP; and
- the arrangements will therefore be more effective in terms of engagement and incentivisation for Executive Directors without requiring the setting of multiple-year corporate targets which (as demonstrated by our experience in recent years) would be extremely challenging.



## **Resolution 4: Re-election of Directors**

Kenmare Resources plc is led by a strong and effective Board of Directors. The performance of the Board is reviewed annually, and each of the Directors has made a substantial contribution to the leadership and governance of the Company during the year and continues to contribute effectively and to demonstrate commitment to their respective roles.

### **Michael Carvill (Managing Director) (subject to re-election in Resolution 4(a))**

Michael Carvill is a Fellow of the Institute of Engineers of Ireland (FIEI). He holds a BSc in Mechanical Engineering (Queen's University, Belfast) and an MBA (Wharton School, University of Pennsylvania). He worked as a contracts engineer in Algeria and as a project engineer at Tara Mines, Ireland. He has been the Managing Director of Kenmare since 1986.

### **Terence Fitzpatrick (Technical Director) (subject to re-election in Resolution 4(b))**

Terence Fitzpatrick is a graduate of University of Ulster (Mech. Eng.). He worked as Project Manager and then Technical Director of Kenmare from 1990 to 1999. He was responsible for the development of the Ancuabe Graphite Mine, which achieved completion on schedule and budget in 1994. He was appointed to the Board of Kenmare in 1994. He served as a Non-Executive Director from 2000 to 2008. He was appointed as Technical Director in February 2009.

### **Elizabeth Headon (Non-Executive Director) (subject to re-election in Resolution 4(c))**

Elizabeth Headon has over 20 years' experience in corporate affairs and social responsibility. Based in Dublin, she sits on boards of a number of non-listed and state companies. She was Chief Executive of the Digicel Foundation Haiti. Previously she was a Director of Ireland's leading communications consultancy and worked in Mozambique on the Kenmare-Moma Development Association. She has a BA, MA and MBA from the National University of Ireland. She was elected to the Board as a Non-Executive Director in May 2011 and is a member of the Remuneration, Nomination and Audit Committees.

### **Tony McCluskey (Financial Director) (subject to re-election in Resolution 4(d))**

Tony McCluskey has worked with Kenmare since 1991. He was originally appointed as Company Secretary and Financial Controller, before becoming Financial Director in 1999. He holds a Bachelor of Commerce degree from University College Cork and is a Fellow of the Institute of Chartered Accountants. Before joining Kenmare, he worked for a number of years with Deloitte & Touche as a senior manager in Dublin and also worked overseas.

### **Steven McTiernan (Chairman and Non-Executive Director) (subject to re-election in Resolution 4(e))**

Steven McTiernan has over 45 years of diverse natural resources industry and investment banking experience with Amoco, BP, NatWest Markets, CIBC and the Chase Manhattan Bank where he was Senior Vice President. He served as Senior Independent Director at Tullow Oil plc and was a Non-Executive Director of that company for 11 years until January 2013, was an Independent Director at First Quantum Minerals Ltd. until June 2012, and was an Independent Director at Songa Offshore SE until January 2014. He is currently a Non-Executive Director of Ajax Oil & Gas Limited. He received an MA in Natural Sciences from the University of Cambridge. He was appointed to the Board in March 2013 and is Chairman of the Nomination Committee and a member of the Remuneration Committee.

### **Gabriel Smith (Non-Executive Director) (subject to re-election in Resolution 4(f))**

Gabriel Smith is a private investor. He has been on several boards of companies in different industries. He began his career as a loan officer at Citibank London. He was Managing Director of a technical trading company before joining Tinfos, a Norwegian silicomanganese, pig iron and titanium dioxide producer as Chief Executive Officer from 1990 to 2007. From 2003 to 2006 he held the position of Chairman of Pan Fish ASA, and from 2007 to 2009 he held the position as Chairman of Lighthouse Caledonia, both companies in the seafood sector. He sits on the Board of Tinfos, now restructured as a hydro company, and until 2015 he was also on the Board of ECO Energi, one of the largest Norwegian hydro power companies. He received his undergraduate degree in Economics from Dartmouth College and has an MBA from Amos Tuck School in the US. He was appointed to the Board in March 2013 and is Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.

## **Resolution 5: Election of Director**

### **Mr. T. Keating (Non-Executive Director) (subject to election in Resolution 5(a))**

Tim Keating is Head of Mining Investment Private Equity at the State General Reserve Fund (SGRF), a sovereign wealth fund of the Sultanate of Oman. He joined SGRF in 2015 from Madini Mineral Resources, where he was head of new business development and responsible for identifying, negotiating and structuring acquisitions and investments in private and listed companies. Prior to Madini, he was CEO of African Nickel Limited (2010-2013), where he grew the business through various transactions and fund raisings. He also worked at Investec Bank for the Commodities and Resource Finance Team (2004-2010), and in the Black Mountain Mine owned by Anglo American plc, in South Africa. He is a Non-Executive Director of Kore Potash Limited. He has a Bachelor of Science in Mining Engineering from West Virginia University, USA and a Bachelor of Commerce (Economics & Law) from University of the Witwatersrand, South Africa. He was appointed to the Board as a Non-Executive Director in October 2016.

### **Mr. G. Martin (Non-Executive Director) (subject to election in Resolution 5(b))**

Graham Martin is an experienced natural resources executive and brings a wealth of relevant expertise having served as an Executive Director, General Counsel and Company Secretary at Tullow Oil plc, an oil and gas exploration and production company listed on the London, Irish and Ghanaian Stock Exchanges. From 1997 until 2016, he was heavily involved in the growth of Tullow into a FTSE100 business, and in the company's active M&A programme, including the US\$2.9 billion disposal of assets in Uganda. Prior to Tullow, he was a partner at the US energy law firm Vinson & Elkins LLP, having started his legal career in Scotland. He was appointed to the Board as a Non-Executive Director in October 2016 and is Chairman of the Remuneration Committee.

## **Resolution 6: Auditors' remuneration**

The Directors are seeking to renew their authority to fix the remuneration of the Auditors for the year ending 31 December 2017.

## **Resolution 7: General meetings**

Shareholders are being asked to renew, until the annual general meeting to be held in 2018, the authority allowing the Company to call a general meeting to consider an ordinary resolution on 14 days' notice. As a matter of policy, the 14 day notice period will only be utilised where the Directors believe that it is merited by the business of the meeting and the circumstances surrounding the business.

## **Resolution 8: Adoption of the KRSP**

This resolution seeks approval for the introduction of the Kenmare Resources plc Restricted Share Plan (the "**KRSP**"). The KRSP is intended to replace the Kenmare Incentive Plan 2014 (the "**KIP**") currently operated by the Company for Executive Directors.

A summary of the background to the KRSP and the key terms of awards which are intended to be made under the arrangements shortly following the AGM (which are also described in the Directors' Remuneration Policy Report which is being put to shareholders as resolution 3), subject to approval by shareholders, is set out in the notes to resolution 3.

The principal features of the KRSP are summarised in Appendix A to these notes.

The resolution also seeks approval for the establishment of an employment benefit trust for use in connection with the KRSP and outstanding awards under the KIP and such other purposes as may be undertaken without shareholder approval or which shareholders may hereafter approve, as summarised in Appendix A to these notes.

## **Resolution 9: Allotment of shares**

At the Annual General Meeting of the Company held in 2016, shareholders gave the Directors a general authority under Section 1021 of the Companies Act, 2014 to allot shares. That authority will expire at the conclusion of the forthcoming Annual General Meeting. Shareholders are therefore being asked to renew the Directors' authority to allot shares in the Company.

By Resolution 9, the Directors will, at the forthcoming Annual General Meeting, seek authority to issue new shares up to a nominal value equal to €36,534 (which is equal to approximately one third of the existing issued ordinary share capital of the Company). The authority will, if renewed, expire at the conclusion of the annual general meeting to be held in 2018 or 15 months after the forthcoming Annual General Meeting, whichever is the earlier. The Directors have currently no intention to issue shares pursuant to this authority except for issues of ordinary shares under the Company's KRSP, if approved by shareholder under resolution 8, and the KIP. There are no treasury shares in issue.

## **Resolution 10: Dis-application of pre-emption rights**

The power given to the Directors at the 2016 Annual General Meeting to allot shares for cash otherwise than in accordance with statutory pre-emption rights also expires at the conclusion of the forthcoming Annual General Meeting.

Shareholders are therefore also being asked to renew, until the Annual General Meeting to be held in 2018 or 15 months after the forthcoming Annual General Meeting, whichever is the earlier, the Directors' authority to allot shares for cash otherwise than in accordance with statutory pre-emption provisions in the event of a rights issue or in respect of any other issue of equity securities for cash up to an aggregate nominal value equal to approximately 5% of the nominal value of the issued ordinary share capital on the date that the resolution is passed.

## **APPENDIX A**

### **SUMMARY OF THE PRINCIPAL FEATURES OF THE KENMARE RESTRICTED SHARE PLAN (“THE KRSP”)**

#### **Introduction**

The KRSP is a discretionary share scheme under which awards over ordinary shares in the Company (“Awards”) may be made to selected employees or Executive Directors of the Company or any of its subsidiaries (the “Group”).

The Remuneration Committee (the “Committee”) will be responsible for the operation of the KRSP.

Awards under the KRSP may be granted by way of either a restricted share award in the form of either a nil-cost option or a conditional share award (“Restricted Share Award”) or a deferred share award in the form a nil-cost option which relates to such part of any Annual Award which the Committee has determined will be deferred into shares (“Deferred Bonus Award”).

Restricted Share Awards or Deferred Bonus Awards may be satisfied by the issue of new shares or by the transfer of shares held in treasury or by the trustee of an employee benefit trust.

Awards under the KRSP are not pensionable.

#### **Eligibility**

A participant must be an employee or Executive Director of the Group at the time an Award is made. Participation in the KRSP will be at the discretion of the Committee.

#### **Individual Limits**

The maximum amount which may be granted to any individual under the KRSP in any financial year will be:

- In respect of a Deferred Bonus Award up to 100% of salary
- In respect of a Restricted Share Award the normal maximum will be 75% of salary rising to an absolute maximum of 150% of salary in exceptional circumstances

#### **Performance and other conditions**

As stated in the Directors’ Remuneration Policy, it is not intended at this time that Awards will be subject to any performance targets or other conditions. However, the rules of the KRSP allow the flexibility for the Committee to impose performance targets or other conditions on the vesting of Awards.

The Committee may vary or waive any performance target applying to an Award if an event occurs which causes the Committee to consider that the performance target is no longer appropriate, provided that such variation or waiver is reasonable in the circumstances and, except in the case of a waiver, produces a fairer measure of performance and is not materially less difficult to satisfy, taking account of the relevant event.

#### **Cessation of employment**

Except in certain circumstances, set out below, an Award which has not already vested will lapse immediately upon a participant ceasing to be employed by or holding office with the Group.

If a participant ceases to be so employed because of his death, ill-health, injury, disability, redundancy, retirement with the agreement of his employer, the participant being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person who is not a Group company or in other circumstances at the discretion of the Committee (each a “Good Leaver Reason”), a time pro-rated proportion of his Award will ordinarily vest on the date when it would have vested if he had not so ceased to be a Group employee or director. Alternatively, the Committee may determine that a time pro-rated proportion of his Award will vest immediately upon the cessation of employment.

In respect of a Deferred Bonus Award, on cessation of employment, the Committee may decide that an award shall not lapse on cessation and may be exercised in such manner and during such period as is set by the Committee and subject to any conditions as it may require in its absolute discretion. The intention of the Committee is that, in normal circumstances, Deferred Bonus Awards will generally be retained in full on ceasing employment.

To the extent that Awards granted in the form of options vest for a Good Leaver Reason, they may be exercised for a period of six months following vesting (or such longer period as the Committee determines and a period of one year in the case of death) and will otherwise lapse at the end of that period.

## **Making of Share Awards**

The Committee (or trustees of any trust created by a Group member) may grant Awards.

Awards may be granted during the 42 days beginning on: (i) the date of shareholder approval of the KRSP; (ii) the day after the announcement of the Company's results for any period; (iii) any day on which the Committee determines that circumstances are sufficiently exceptional to justify the making of an Award at that time; or (iv) if any dealing restrictions applied during any such period, the day after the lifting of such dealing restrictions. However, no Awards may be granted more than ten years from the date when the KRSP was approved by shareholders.

No payment will be required for the making of an Award and Awards are not transferable (except on death).

## **Dilution Limits**

An Award may not be made under the KRSP if it would cause the aggregate number of shares issued or issuable under any employee share scheme operated by the Company in the preceding 10 years to exceed 10% of the Company's issued ordinary share capital at that time.

In addition, an Award may not be made under the KRSP if it would cause the number of shares issued or issuable under any discretionary employee share scheme operated by the Company in the preceding 10 years to exceed 5% of the Company's issued ordinary share capital at that time.

The above limits exclude any share awards which lapse, as well as any share awards which are satisfied by the transfer of existing shares. However, for as long as is required by guidelines issued The Investment Association, the transfer of treasury shares will be treated as an issue of new shares.

## **Vesting and exercise**

A Restricted Share Award will not normally vest before the third anniversary of grant. For Restricted Share Awards granted by way of a nil-cost option, options will normally remain exercisable for a period determined by the Committee at grant, which shall not exceed seven years from grant.

Deferred Bonus Awards will normally vest three years after the start of the bonus year to which they relate and will normally remain exercisable for a period determined by the Committee at grant, which shall not exceed seven years from grant.

## **Holding periods**

There is no current intention to make Awards subject to holding periods, but the rules of the KRSP provide the flexibility for the Committee to determine at the time that an Award is granted that a holding period will apply to any shares acquired pursuant to the Award. During any such applicable holding period participants will be required to retain the shares acquired on the vesting of an Award (or the exercise of an option) and shall not be permitted to transfer, assign or otherwise dispose of such shares for a specified period after the vesting date, subject to being permitted to sell such number of shares as may be necessary to meet any tax liability arising on vesting or exercise and subject to certain other limited exceptions or if the Committee in its discretion determines otherwise.

## **Malus and clawback**

The Committee may determine, at the time that an Award is granted, that the Award shall be subject to the malus and/or clawback provisions set out below.

The Committee may decide, at any time prior to the vesting of an Award, that the number of shares subject to the Award shall be reduced (including to nil) on such basis that the Committee in its discretion considers to be fair and reasonable, where the Committee determines that one or more of the following trigger events have occurred:

1. the discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or any other member of the Group;
2. the discovery that the assessment of any performance target or other condition in respect of an Award was based on error, or inaccurate or misleading information; and/or

3. the discovery that any information used to determine the number of shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. there has been an action or conduct of an Award holder which, in the reasonable opinion of the Committee amounts to fraud or gross misconduct; and/or
5. a regulatory breach by the Company or any member of the Group resulting in material financial or reputation harm, provided that the Committee is satisfied that the relevant participant was wholly or partly responsible for the regulatory breach and that the financial or reputational harm is attributable to him.

The Committee may require a participant to transfer to the Company all or some of the shares acquired on the vesting of the Award, or pay certain amounts to the Company, in the period of two years following the vesting of the Award or the exercise of an option in the circumstances described above.

### **Corporate events**

In the event of a takeover, compulsory acquisition, scheme or arrangement or winding up of the Company or if the Committee determines where the Company is affected by a demerger or similar other event, an Award will vest immediately.

Where an Award vests immediately in these circumstances, unless the Committee determines otherwise, the number of shares vesting will be reduced pro-rata to reflect the proportion of the vesting period which has elapsed.

An Award may be exchanged for an award over shares in an acquiring company if an offer to exchange is made and accepted by the participant or if the Committee, with the consent of the acquiring company, determines that Awards should automatically be exchanged.

### **Variations of share capital**

In the event of a variation of the share capital of the Company, including by way of a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue or any subdivision, consolidation, or reduction in the Company's share capital, either or both of the number of shares and the description of the shares subject to an Award may be adjusted in such manner as the Committee determines.

### **Alternative settlement**

At its discretion, the Committee may decide to satisfy on exercise of an option granted under the KRSP either (i) with a cash payment equal to any gain that the participant would have made had the relevant option been satisfied with shares after payment of any price due on exercise; or (ii) with the transfer or issue of shares equal in value to any gain that the participant would have made had the relevant option been satisfied with shares on exercise.

### **Rights attaching to shares**

An Award will not confer any shareholder rights, such as the right to vote or to receive any dividend, where the record date is prior to the allotment or transfer of shares to the participant following the vesting of the Award or the exercise of the relevant option and the receipt by the participant of the underlying shares.

Any shares allotted when a Restricted Share Award or Deferred Bonus Award vests will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their issue).

A participant awarded shares subject to restrictions (such as holding periods) shall have the same rights as a holder of shares in issue at the time that the participant acquires the shares, save to the extent set out in the agreement with the participant relating to those shares.

A participant may be entitled to receive a payment in cash or shares upon his acquisition of the shares subject to his Award in respect of dividends on those shares. The payment would be of an amount equal to any dividends paid on the number of shares acquired pursuant to the Award during the period from the date that the Award was made to the date that the Award vests.

## **Amendments**

The Committee may, at any time, amend the provisions of the KRSP in any respect. The prior approval of shareholders at a general meeting of the Company must be obtained in the case of any amendment to the advantage of participants which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an Award can be made under the KRSP, the price at which shares can be acquired under an Award under the KRSP, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval, save that there are exceptions for any minor amendment to benefit the administration of the KRSP, to take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company and/or its other Group companies.

Amendments may not adversely affect the rights of participants except where the participant is notified of and has approved such amendment, where the amendment is made to take account of any matter or circumstance which the Committee reasonably considers is a relevant legal or regulatory requirement, or any other matter or circumstance which the Committee reasonably considers is relevant and requires an amendment to be made.

## **Employee Benefit Trust**

The Company intends to establish a discretionary employee benefit trust to be used in conjunction with the KRSP (the "Employee Trust") and the Kenmare Incentive Plan 2014 (the "KIP"). The Employee Trust will have full discretion with regard to the application of the trust fund (subject to recommendations from a committee of the Board). The Company (or a Group company) will be able to fund the Employee Trust to acquire shares in the market and/or to subscribe for shares in order to satisfy awards granted under the KRSP and any outstanding share awards under the KIP. Any shares issued to the Employee Trust in order satisfy KRSP Awards will be treated as counting towards the dilution limits that apply to the KRSP. For the avoidance of doubt, any shares acquired by the Employee Trust in the market will not count towards these limits.

The Employee Trust will be administered by an independent professional trust company (the "trustee") all of whose directors will be independent of the Company. The beneficiaries of the Employee Trust will be the employees and former employees of any group company and will therefore include the executive directors of the Company.

## **Note**

This section summarises the main features of the Kenmare Resources plc Restricted Share Plan but does not form part of it and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. Copies of the Kenmare Resources plc Restricted Share Plan will be available for inspection at the offices of McCann FitzGerald, Tower 42, Level 38C, 25 Old Broad Street, London EC2N 1HQ, England and Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland during normal business hours on Monday to Friday each week (except for public holidays) from the date of this Circular until the date of the Annual General Meeting. The Directors reserve the right, up to the time of the Meeting, to make such amendments and additions to the Rules as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this section.

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