A remuneration policy that supports Kenmare's goals

GRAHAM MARTIN
CHAIR OF THE REMUNERATION COMMITTEE

Read more about **remuneration policy** on page 118 to 122

Read more about the **2021 bonus outcome** on page 110 to 111

Chair's Overview

On behalf of the Board, I am very pleased to present the Remuneration Committee's report for 2021 on Directors' remuneration.

This report is divided into three main sections:

- This statement, which provides a summary of the year under review and, together with the annual report on remuneration, describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018;
- The annual report on remuneration which provides details of the remuneration earned by the Directors in the year ended 31 December 2021 and how the current Remuneration Policy will operate for the year ending 31 December 2022; and
- A summary of the remuneration policy which was approved by shareholders at the 2020 AGM, and which applies for the three-year period from the date of that approval.

Summary of the work of the Committee in 2021

In early 2021, most of the Committee's work focused on assessing the outcome of the key performance indicators (KPIs) under the Executive Directors' bonus scheme for 2020, and agreeing some modifications to those metrics for the application of the scheme in 2021.

We reviewed benchmarking reports prepared by PwC on the salaries, benefits and fees of the Executive Directors, the Company Secretary, and the Chairman and set their 2021 levels appropriately, while also reviewing and discussing with the Executive Directors the remuneration of the executive committee and senior Mine management.

We also agreed the amount of the annual award to the Executive Directors under the Group's long term share plan, the Kenmare Restricted Share Plan (KRSP), and the performance indicators to be considered under the performance underpin while at the same time agreeing the annual KRSP awards for other employees within the Committee's remit.

During the remainder of the year, the Committee monitored the performance of the Group against the KPIs on a quarterly basis and we provided regular feedback to the Executives.

The Committee also kept under review during the year the remuneration and benefits of the Executive Directors in the context of the remuneration of the Group's workforce as a whole. We received presentations from management on the remuneration structure for workers at the Mine and satisfied ourselves that our staff receive pay and benefits which are benchmarked appropriately, take into account local employment regulations and conditions as well as seniority, and afforded our workers the opportunity to share in the benefits from the success of the Group. We are particularly pleased to note that, following the extension in 2020 of KRSP awards to certain categories of employee at the Mine in Mozambique, this was extended to further categories of Mine staff in 2021. The Committee also notes that there is no discrimination between our male and female workers at the Mine in their pay and benefits for similar jobs.

The Committee also received a presentation on terms and conditions of employment of our Dublin, London, and Beijing based staff and satisfied itself that the remuneration and benefits of our employees remained appropriately benchmarked and that they also had opportunities through a bonus scheme and the KRSP to share in the success of the Group.

In December, we were delighted that COVID-19 restrictions had temporarily eased and allowed us to meet in person for the first time since early 2020. At that meeting, the Committee received a presentation from PwC with an update on current remuneration matters with particular focus on a review of the 2021 AGM season and investor feedback on remuneration issues.

Performance and reward for 2021

Under the current Directors' remuneration policy, the Executive Directors receive a base salary (which, apart from inflationary adjustments, has not been increased since 2010), pension contributions in line with market levels and the Irish workforce, certain other benefits, an award of shares under the KRSP, and the opportunity to earn a bonus depending on the outcome of the remuneration KPIs. In 2021, the Directors' remuneration policy operated in line with the intentions set out in the 2020 Annual Report on Remuneration.

As noted by the Chairman and the Managing Director in their respective reports, Kenmare delivered a record year for safety, production, and shipments with EBITDA increasing by 182% and almost US$100 million returned to shareholders during the year.

These results are reflected in the outcome of the KPIs and consequently the bonus earned by the Executive Directors.

The performance criteria set by the Committee under the bonus scheme reflected a mix of quantitative targets and qualitative targets and were set at stretching levels for the maximum award. The quantitative targets for 2021 comprised 72.5% (2020: 67.5%) of the maximum 100% opportunity and the qualitative targets 27.5% (2020: 32.5%).

The quantitative targets covered metrics reflecting mineral production, financial results and certain environmental, social and governance (ESG) targets. The qualitative targets included matters such as completion of an ore body knowledge plan for Nataka in preparation for a formal Pre-Feasibility Study, certain ESG targets, continuing COVID-19 management, and Executives' personal performance.

Outcome

The outcome of the Committee's assessment of performance against the quantitative and qualitative criteria resulted in each of the Executive Directors receiving a bonus of 60.38% of salary. In accordance with our remuneration policy, any bonus in excess of 50% of salary was paid in nil-cost share options granted under the KRSP, which will vest in three years and the balance was paid in cash. The Committee considers these outcomes a fair reflection of the corporate performance for the year and the respective individual performances of the Executives.

The Committee confirms that no malus and clawback provisions were used during the year.

Implementation of the remuneration policy for 2022

The Committee believes that the current Directors' remuneration policy remains appropriate for 2022. We believe it remains easy to understand, is relatively simple, and remains motivating. It also allows sufficient discretion to the Committee to take account of all relevant matters affecting the Group or its performance in the year. Accordingly, for 2022 we are proposing to retain the existing structure subject to some changes to the performance metrics to reflect corporate priorities for the year including a focus on the long-term strategic plan. We have also agreed to increase the Executive Directors' salaries and all Non-Executive Directors' fees by 5% to reflect inflationary pressure. This aligns with wage increases already agreed this year for our corporate staff. Further details of the intended implementation of the remuneration policy for 2022 are set out on page 107.

Workforce engagement

As well as the management presentations noted above on the remuneration benefits of our world-wide staff, I personally had an opportunity in my capacity as "Workforce Engagement Director" to engage directly in 2021 with senior Mine staff and head office staff as noted more fully on page 91. In those discussions, I explained the role and responsibilities of the Remuneration Committee, in particular in setting the salaries and benefits of the Executive Directors.

We discussed our desire to ensure that executive pay is aligned in its short, medium and long term structure with our culture and values and with the incentives and rewards available to all of our staff and I took questions regarding employment conditions. Those discussions with the Mine staff took place over a video link but I was very pleased during our Board visit to the Mine in February 2022 to be able to have some follow up discussions in person.

In the wider context, management engaged with the workforce during the year in relation to performance reviews, salaries, bonus outcomes (which reflect personal and company performance) and awards made under the KRSP. As the KRSP has been recently introduced for senior Site employees, management there delivered a presentation to those employees on the operation and main features of the scheme and dealt with any queries arising. Unfortunately, due to COVID-19 restrictions some of these meetings had to be held virtually but we are now in a position to return to physical meetings which will aid communication and discussion.

Shareholder dialogue

Shareholders' views on executive remuneration are very important to the Board. Throughout the year we take every opportunity when engaging with our shareholders to invite them to raise any concerns or give any observations on executive remuneration, even when executive remuneration is not the specific purpose of the meeting. No specific concerns were raised by our shareholders in the course of 2021 and any observations which were made were either taken into account in the determination of outcomes in 2021 or will be considered in the context of the new three year remuneration policy to be put to shareholders for approval next year.

I hope you will vote in support of the vote on the Remuneration report at this year's AGM. Should you have any questions, comments or feedback on remuneration matters at Kenmare I would be very pleased to hear from you. I can be reached via the Company Secretary at chealy@kenmareresources.com.

Conclusion

The Committee continues to believe that the current Directors' remuneration policy with its blend of short, medium and long-term aspects remains appropriate for the Group and in our view clearly aligns the interests of the Executives with those of the shareholders. In addition, it gives discretion to the Committee to look back over each three-year period in determining the ultimate KRSP vesting outcomes.

I would like to thank our employees and contractors for all their efforts and hard work in what continued to be challenging circumstances owing to the residual presence of COVID-19. As ever, I am very grateful for the support and guidance given to me throughout the year by my fellow members of the Remuneration Committee, the support to the Committee by Chelita Healy, the Company Secretary, and I would, in particular, like to thank Gabriel Smith and Peter Bacchus for their much-valued contributions.

GRAHAM MARTIN
CHAIR OF THE REMUNERATION COMMITTEE

4 April 2022

ANNUAL REPORT ON REMUNERATION

Responsibilities of the Committee

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 Group are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
- Executive remuneration is aligned to Group purpose and values and linked to delivery of the Group's long-term strategy.

The primary responsibilities of the Committee are to:

- Determine and agree with the Board the Group's policy on executive remuneration;
- Within the terms of the agreed policy, determine the total individual remuneration package of the Chair, Executive Directors, Company Secretary and such other members of the senior executive management as it is designated to consider;
- Review workforce remuneration, related policies and the alignment of incentives and rewards with culture; and
- Oversee the preparation of the annual report on remuneration.

See the Committee's terms of reference at https://www.kenmareresources.com/en/about-us/corporate-governance/remuneration-committee

The Committee gives full consideration to legal and regulatory requirements, to the principles and provisions of the 2018 UK Corporate Governance Code and to related guidance. The Committee also seeks to ensure that risk is properly considered in the setting of the remuneration policy, by ensuring that targets are appropriately stretching but do not lead to the taking of excessive risk.

The Committee reviews remuneration and related policies applicable to the wider workforce, ensuring that this is taken into account when setting the policy for executive remuneration. The aim across the Group is to provide a reward package that is aligned to shareholders' interests, supports the achievement of the Company's annual and strategic objectives, is competitive against the appropriate market and is consistent with our focus on performance and our core values. This means:

- base salaries are set in line with the market recognising the individual's skill, knowledge, experience levels and contribution to the role;
- high performance and exceptional contribution are recognised through in-year incentives;
- packages for leadership roles have an increased emphasis on longer-term share-based reward;
- providing employees with competitive post-retirement benefits in line with practices applicable in relevant jurisdictions; and
- ensuring access to a competitive and cost-effective package of other benefits as part of the total reward offering.

The Company Secretary acts as Secretary to the Committee. The Managing Director and Financial Director may be invited to attend meetings of the Committee, except when their own remuneration is being discussed. No Director is involved in consideration of his or her own remuneration.

The Remuneration Committee seeks independent advice when necessary from external remuneration consultants. In 2019, the Committee conducted a competitive tender process following which PwC, which has no other connection with the Group, Company or the Directors, were retained as independent external remuneration advisors. In 2020 and 2021, the Committee renewed their appointment. PwC is paid a fixed fee for a fixed scope of work and charges fees on a time and materials basis for work outside of the agreed scope. During the year ended 31 December 2021 the total fees payable to PwC in respect of these services was £35,500 (2020: £35,500). PwC is a member of the Remuneration Consultants Group and a signatory of that Group's Code of Practice for remuneration consultants. The Committee reviews the services and advice provided by PwC each year and is satisfied that the advice it receives is independent and objective.

Membership and meetings

In May 2021, Gabriel Smith retired from the Board and Deirdre Somers took his place on the Committee. Deirdre has attended all Committee meetings held since her appointment. On 31 December 2021, Peter Bacchus resigned from the Company and Clever Fonseca became a member of the Committee. Both Gabriel Smith and Peter Bacchus attended all Committee meetings held in 2021 during their respective periods of membership. The Remuneration Committee now consists of Graham Martin as Chair, Deirdre Somers, and Clever Fonseca. We are all Independent Non-Executive Directors. Biographical details for each of the Committee members and a description of their respective skills, expertise, and experience are set out on pages 76 and 77.

The Committee formally met five times during the year but there were also a number of less formal communications throughout the year on remuneration issues between members of the Committee and with the Executive Directors.

Committee membership

Name	Role	Independent	Date of Appointment to Committee	Meetings Attended
Graham Martin	Chair	Yes	14/10/2016	5
Deirdre Somers	Member	Yes	13/05/2021	2
Clever Fonseca	Member	Yes	31/12/2021	N/A

Consideration of employment conditions outside the Group

The Committee reviews the remuneration of the Executive Directors in light of the remuneration of the executive directors of other appropriate quoted companies. The Committee's advisers prepare annual reports benchmarking their remuneration (and that of the Non-Executive Directors) against peer companies and this assists the Committee in determining the appropriateness of the remuneration payable to the Executive Directors.

Implementation of the Directors' Remuneration Policy

In implementing the current remuneration policy, the Remuneration Committee considered the following factors set out in the Code:

- Clarity and simplicity – We believe that the remuneration package for our Executive Directors is clear and transparent, in particular the KRSP is a simple structure which cascades where appropriate down the organisation. The operation of the KRSP was simplified in 2020 by adjusting the vesting schedule so that all awards vest after three years subject to a further two-year holding period.
- Risk – The Remuneration Committee has a number of tools at its disposal to ensure that reputational and other risks are identified and mitigated. These include malus and clawback provisions on both the annual bonus and the KRSP (which have been extended in the new policy to cover a wider range of scenarios), the use of a minimum share price when determining KRSP awards to the existing Executive Directors and the introduction of a discretionary underpin on the vesting of KRSP awards. Furthermore, the Remuneration Committee has the discretion to amend the formulaic outcome of the annual bonus if the Committee believes this does not reflect the true underlying performance of the Group or the experience of shareholders. When determining the outcomes of the 2021 bonus, the Committee considered these factors and determined that the formulaic outcome was appropriate in light of the Group's record year for safety, production, and shipments and returns to shareholders.
- Predictability and proportionality – A range of potential remuneration outcomes under the policy can be calculated including a share price appreciation scenario. This enables shareholders to assess the impact of performance outcomes and share price appreciation on the value of remuneration for individual Directors. The 2021 bonus outcome reflected the Group's strong overall performance particularly in safety and production.
- Alignment to culture – The introduction of a discretionary underpin assessment ensures that the vesting level of KRSP awards takes into account the overall business performance, including non-financial factors such as environmental, social and governance considerations which are at the heart of our culture, values and strategy.

Directors' remuneration (audited)

The following tables set out the remuneration for Directors for the year ended 31 December 2021 and the prior year. The base salaries increased by 1.5% in 2021 reflecting an inflation adjustment.

	Michael Carvill				Tony McCluskey			
Executive Directors' remuneration	2021 $'000	2021 %	2020 $'000	2020 %	2021 $'000	2021 %	2020 $'000	2020 %
Fixed Pay								
Basic salary	**661**		619		**436**		409	
Benefits	**9**		7		**5**		4	
Pension	**66**		62		**44**		41	
Total fixed pay	**736**	**65%**	688	64%	**485**	**65%**	454	65%
Variable Pay								
Bonus (i)	**399**		382		**264**		243	
Long-term incentives								
- Kenmare Restricted Share Plan (KRSP) (ii)	**–**		–		**–**		–	
Total variable pay	**399**	**35%**	382	36%	**264**	**35%**	243	35%
Total single figure	**1,135**		1,070		**749**		697	

i The 2021 performance outcome of Michael Carvill and Tony McCluskey is 60.38% of salary. The bonus in excess of 50% of salary is paid in nil-cost share options granted under the KRSP, which will vest in three years and the balance (10.38%) is paid in cash.

ii The KRSP awards granted in 2021 include a performance underpin and will be reviewed at the end of the three-year vesting period.

iii The underlying currency of the Executive Directors' emoluments is Euros.

iv This disclosure forms an integral part of the financial statements.

Non-Executive Directors' remuneration[1,2,3]	Basic fee 2021 $'000	Basic fee 2020 $'000	Committee Chair & Membership fee 2021 $'000	Committee Chair & Membership fee 2020 $'000	Senior Independent Director fee 2021 $'000	Senior Independent Director fee 2020 $'000	Audited total 2021 $'000	Audited total 2020 $'000
Peter Bacchus	**68**	68	**25**	13	**11**	6	**104**	87
Elaine Dorward-King	**68**	68	**16**	25	**–**	–	**84**	93
Clever Fonseca	**68**	68	**13**	10	**–**	–	**81**	78
Elizabeth Headon	**–**	32	**–**	13	**–**	4	**–**	49
Tim Keating	**16**	68	**1**	3	**–**	–	**17**	71
Graham Martin	**68**	68	**27**	22	**–**	–	**95**	90
Steven McTiernan	**230**	214	**–**	–	**–**	–	**230**	214
Sameer Oundhakar	**55**	–	**–**	–	**–**	–	**55**	–
Gabriel Smith	**26**	68	**11**	24	**–**	–	**37**	92
Deirdre Somers	**68**	25	**20**	2	**–**	–	**88**	27
Andrew Webb	**6**	–	**–**	–	**–**	–	**6**	–
Total	**673**	679	**113**	112	**11**	10	**797**	801

1 The fees set out in the table above relate to the period of the directorship.

2 The Non-Executive Directors' remuneration is 100% fixed. In 2022, it was agreed to increase all Non-Executive Directors' fees by 5% to reflect inflation. Prior to this there had been no increase in basic fees since 2011. The underlying currency of the fees is Euros.

3 This disclosure forms an integral part of the financial statements.

Total Directors' remuneration	Audited total 2021 $'000	Audited total 2020 $'000
Executive Directors		
Salary	**1,097**	1,028
Benefits	**14**	11
Bonus	**663**	625
Pension	**110**	103
Long-term incentive plan (LTIP)	**–**	–
Total Executive Directors' remuneration	**1,884**	1,767
Non-Executive Directors		
Fees	**797**	801
Total remuneration	**2,681**	2,568

Executive and Non-Executive Directors' remuneration and fees for services as Directors provided to the Company and the entities controlled by the Company are $1.9 million (2020: $1.8 million) and $0.8 million (2020: $0.8 million) respectively. These figures have been calculated based on the requirements of the UK's Large and Medium-sized Companies and Groups (Accounts and Report) (Amendment) Regulations 2013 (the "Regulations"), to which the Company has regard.

2021 annual bonus award (audited)

The performance metrics for the 2021 annual bonus award sought to deliver continuous and stretching progress in relation to operational performance, cost efficiency and capital expenditure management, health and safety initiatives, and corporate objectives. Different performance targets for corporate performance were set for each Executive Director according to their roles. The maximum opportunity under the annual bonus award for 2021 was 100% of base salary for the Managing Director and Financial Director.


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Performance targets and outcomes for the 2021 financial year were as follows:

2021 annual bonus outcome		Weighting %	Performance needed for pay out at: Threshold (25% of maximum vests)	Target (50% of maximum vests)	Stretch (100% of maximum vests
Operational	Ilmenite production (tonnes)	23.0	1,100,000	1,140,000	1,200,000
	Zircon (standard & special) production (tonnes)	5.0	53,100	55,500	57,900
	Rutile production (tonnes)	1.0	9,500	9,900	10,300
	Concentrates production (tonnes)	1.0	37,900	39,650	41,400
Financial	EBITDA ($m)	10.0	138.0	163.0	187.0
	Cash operating costs ($m)	10.0	184	175	166
	Cash operating cost per tonne ($/t)	5.0	146	139	132
	We confirm that we have included the climate related financial disclosures consistent with the four recommendations and eleven recommended disclosures set out by the Task Force on Climate-related Financial Disclosures (TCFD). Average share price in December 2021 (including dividends paid in 2021) (£ per share)	5.0	3.76	4.07	4.38
Environmental, Social and Governance (ESG)	Lost Time Injury Frequency Rate (LTIFR) per 200,000 hours worked	5.0	0.25	0.22	0.20
	Health and safety leading indicators	3.5	Risk assessment processes embedded through compliance audits, a new leadership programme initiated, a programme rolled out to destigmatise HIV and certain improvements in malaria controls.		
	Environment: greenhouse gas (GHG) emissions	3.0	With a goal of identifying a GHG reduction target, energy efficient projects were to be identified, the Rotary Uninterruptible Power Supply (RUPS) project to be implemented and two other GHG projects advanced.		
	Environment and social	3.5	The bonus threshold was for there to be no major community incidents from our activities and no material environmental incidents. Target added the implementation of water reporting in alignment with International Council on Mining and Metals (ICMM) water reporting guidelines and stretch further added the implementation of a climate change programme.		
	Environment: Annual rehabilitation target (ha)	2.0	180	200	220
	Social: Procurement in Mozambique ($m)	2.5	84.90	86.36	88.02
	Social: Gender diversity (%)	3.0	11.0	11.5	12.5
	Human Rights	2.5	Various targets including developing and publishing a Modern Slavery Statement, completing the next phase of supply chain compliance audits, demonstrating our security practices conform to the Voluntary Principles on Security and Human Rights and implementing a security tactical plan.		
Project Execution	Long-term strategy	5.0	Complete the Nataka orebody knowledge workplan to a sufficient degree to inform a Pre-Feasibility Study (PFS), with a Stretch target of being on course to achieving this by end Q1 2022.		
Corporate, Leadership, People		5.0	The Committee considered how each Executive performed in terms of the Board's expectations of his role, including: leadership, strategic vision and planning, business development, succession planning and alignment with the company's vision and values.		
COVID-19 Management		5.0	Continue to proactively and safely mitigate the impact of COVID-19 on the business, while taking into account the interest of all stakeholders.		
Total		100			

i Formulaic level of award equates to the weighting multiplied by the proportion of element vesting.

ii Average share price for December 2021 plus dividends per share paid in 2021.

	Performance achieved	Proportion of element	2021 %
	1,119,400	37.1	8.55
	56,300	66.6	3.33
	8,900	0.0	0.00
	43,900	100.0	1.00
	216.1	100.0	10.00
	189.7	0.0	0.00
	154	0.0	0.00
	4.47(ii)	100.0	5.00
	0.03	100.0	5.00
	The embedding of the risk assessment processes scored well and clear results were seen from the leadership programme. The HIV destigmatisation programme was rolled out but is ongoing and while a review of the malaria control programme was completed it could not be implemented in full in the time period. The committee concluded that target performance had been met but stretch performance had not been met in full.	57.1	2.00
	Over 70 energy efficiency initiatives were identified, a few of which will be studied in the coming months. A Net Zero ambition by 2040 has been agreed and various short-term steps toward that target identified. However the RUPS timetable slipped a little and some other GHG projects are still under review. The Committee determined that target but not the full stretch performance had been achieved.	66.7	2.00
	There were no major environmental or community incidents. A climate change programme aligned with Taskforce for Climate-related Financial (TCFD) recommendations has been agreed and is being implemented. The water reporting is well underway with certain data gaps identified and some but not full alignment yet with ICMM guidelines. The Committee determined that performance almost reached Stretch.	92.9	3.25
	198	47.5	0.95
	95.8	100.0	2.50
	12.5%	100.0	3.00
	The Modern Slavery Statement was published and the next phase of supply chain audits implemented. The business demonstrated through various means that our security practices conform to the Voluntary Principles and ~ 90% of the security tactical plan has been implemented. The Committee determined that Stretch performance had almost been achieved.	92.0	2.30
	The PFS work proceeded well but with some impact from COVID-19 on personnel and logistics. Additionally, the scope of the PFS was extended in light of new information form certain tests and studies. The PFS work continues and the Committee determined that Target performance was achieved in the year.	50.0	2.50
	Overall the Committee concluded that the leadership, vision and values of the Executive Directors led to a very successful year in terms of health and safety, operations, financial results and planning and our ESG agenda in the face of continuing challenges from COVID-19, and awarded 80% achievement in each case. Specifically noted in the case of Michael Carvill were: his leadership of and contribution to our record breaking safety record; our programmes for localisation and for coaching of current and future leaders, helping to instil a new organisational culture at the mine; and his continuing focus on the long term needs of our local communities. In the case of Tony McCluskey the Committee commended his financial stewardship throughout 2021 in what was a transitional year in terms of succession in certain key roles and in strengthening the financial team; the successful execution of the share buy-back; maintaining our key banking relationships; and a significant strengthening of our information and communications technology systems.	80.0	4.00
	There was continuous, active management of COVID-19 during the year. There was significant organisational disruption but the measures taken kept this to a minimum with a steady fall in active cases. Of particular note was the vaccine rollout programme both at the Mine and in the community. The Committee determined that Stretch performance had been achieved.	100.0	5.00
			60.38

Overall, the outcome of the scorecard and therefore outcome for Michael Carvill and Tony McCluskey was 60.38% of maximum. The Committee believes this appropriately reflects the Executive Directors' performance during the year and the Group's results, and therefore has not applied further discretion to this outcome. 83% of the 2021 annual bonus award was delivered in cash (i.e. 50% of base salary) and the balance of 17% was deferred in shares for three years (as restricted shares under the KRSP), consistent with the Directors' remuneration policy.

Total pension entitlements

Pension provision for the Executive Directors was made in 2021 based on 10% of base salary, in line with the remuneration policy and the contributions for the Kenmare corporate staff. Fees paid to Non-Executive Directors are not pensionable. No Director has a prospective entitlement to a defined benefit pension by reference to their service as a Director.

Payments for loss of office (audited)

No payments for loss of office were made during the year.

Payments to past Directors (audited)

Elizabeth Headon stepped down as a Director on 13 May 2020 and her appointment as a Director terminated on that date. Pursuant to a contract for services with Erzulie Limited (a company wholly owned by her), effective from 1 June 2020, Erzulie Limited was paid €2,500 for the period from 1 January 2021 to 1 April 2021 (€2,917 from 1 June 2020 to 31 December 2020) for consulting services provided to the Sustainability Committee.

Terence Fitzpatrick stepped down as a Director on 1 July 2018 but has remained an employee of the Company. His salary is for his services as an employee and not loss of office compensation. During the year contributions of $30,450 (2021: $30,450) were paid into his pension.

Directors' and Secretary's shareholdings (audited)

The interests of the Secretary and Directors who held office during 2021, their spouses and minor children, in the ordinary share capital of the Company, other than pursuant to share options or share awards, were as set out below:

	Shares held 31 March 2022	Shares held 31 December 2021	Shares held 1 January 2021
Peter Bacchus	–	–	–
Michael Carvill[1]	**363,320**	301,559	251,844
Clever Fonseca	**970**	970	–
Elaine Dorward-King	**10,000**	10,000	3,600
Tim Keating	**1,532**	1,532	–
Graham Martin	**100,000**	100,000	84,135
Tony McCluskey	**223,223**	182,463	134,953
Steven McTiernan	**228,607**	228,607	216,353
Sameer Oundhakar	–	–	–
Gabriel Smith	**30,078**	30,078	30,078
Deirdre Somers	**3,940**	3,940	–
Andrew Webb	–	–	–
Deirdre Corcoran (Former Secretary)	**32,045**	32,045	16,383
Chelita Healy (Secretary)	–	–	–

1 147,062 shares held by Rostrevor One Limited, a company controlled by Michael Carvill are included in his holding.

Share awards scheme (audited)

Name	Share Plan	Number of nil cost options: At 1 Jan 2021	Awarded	Vested & exercised	Lapsed	At 31 Dec 2021	Date of grant	Exercise period	Market price at exercise £
Michael Carvill	KRSP	53,786	1,329[1]	(28,222)	–	**26,893**	26 May 2017	26/05/2021-26/05/2024	£4.40
	KRSP	149,362	3,234[1]	(92,851)	–	**59,745**	15 March 2018	15/03/2021-15/03/2025	£4.35
	KRSP	152,074	–	–	–	**152,074**	15 March 2019	15/03/2022-15/03/2026	
	KRSP	157,206	–	–	–	**157,206**	13 May 2020	13/05/2023-13/05/2027	
	KRSP	–	133,930	–	–	**133,930**	28 April 2021	28/04/2024-28/04/2028	
		512,428	**138,493**	**(121,073)**	**–**	**529,848**			
Tony McCluskey	KRSP	35,497	876[1]	(18,625)	–	**17,748**	26 May 2017	26/05/2021-26/05/2024	£4.40
	KRSP	98,574	2,135[1]	(61,279)	–	**39,430**	15 March 2018	15/03/2021-15/03/2025	£4.02
	KRSP	100,364	–	–	–	**100,364**	15 March 2019	15/03/2022-15/03/2026	
	KRSP	103,750	–	–	–	**103,750**	13 May 2020	13/05/2023-13/05/2027	
	KRSP	–	86,632	–	–	**86,632**	28 April 2021	28/04/2024-28/04/2028	
		338,185	**89,643**	**(79,904)**	**–**	**347,924**			
Deirdre Corcoran	KRSP	31,094	1,536[1]	(32,630)	–	**–**	17 April 2018	17/04/2021-17/04/2025	£4.31
	KRSP	33,519	–	–	–	**33,519**	23 March 2019	23/03/2022-23/09/2022	
	KRSP	54,795	–	–	–	**54,795**	26 March 2020	26/03/2023-26/09/2023	
	KRSP	–	16,512	–	–	**16,512**	28 April 2021	28/04/2024-28/10/2024	
		119,408	**18,048**	**(32,630)**	**–**	**104,826**			
Chelita Healy	KRSP	–	**2,158**	–	–	**2,158**	28 April 2021	28/04/2024-28/04/2028	

1 Dividend equivalent entitlements relating to share awards vesting.

The aggregate gain on awards that vested during the year for Executive Directors was $1.2 million (2020: $0.5 million).

In the case of the Executive Directors, the KRSP awards made prior to 2020 vest, subject to continued employment, 60% on the third anniversary of grant date, 20% on fourth anniversary, and 20% on fifth anniversary.

The 2021 awards for Michael Carvill and Tony McCluskey represent 100% of base salary based on a share price of £4.05; the actual share price at the date of award. The value of these awards totalled £0.5 million ($0.7 million) for Michael Carvill and £0.3 million ($0.4 million) for Tony McCluskey.

The Executive Directors' 2021 and 2020 KRSP awards vest, subject to continued employment and to the Remuneration Committee's assessment against a discretionary underpin, on the third anniversary of grant date. The vested KRSP awards are subject to a two-year holding period which may extend beyond an Executive Director's cessation of employment in accordance with the post-employment holding requirements of the 2020 remuneration policy.

In the case of Deirdre Corcoran, the above KRSP awards vest, on the third anniversary of grant date. In the case of Chelita Healy the above KRSP awards vest, subject to continued employment, on the third anniversary of grant date. Non-Executive Directors do not receive awards under share plans.

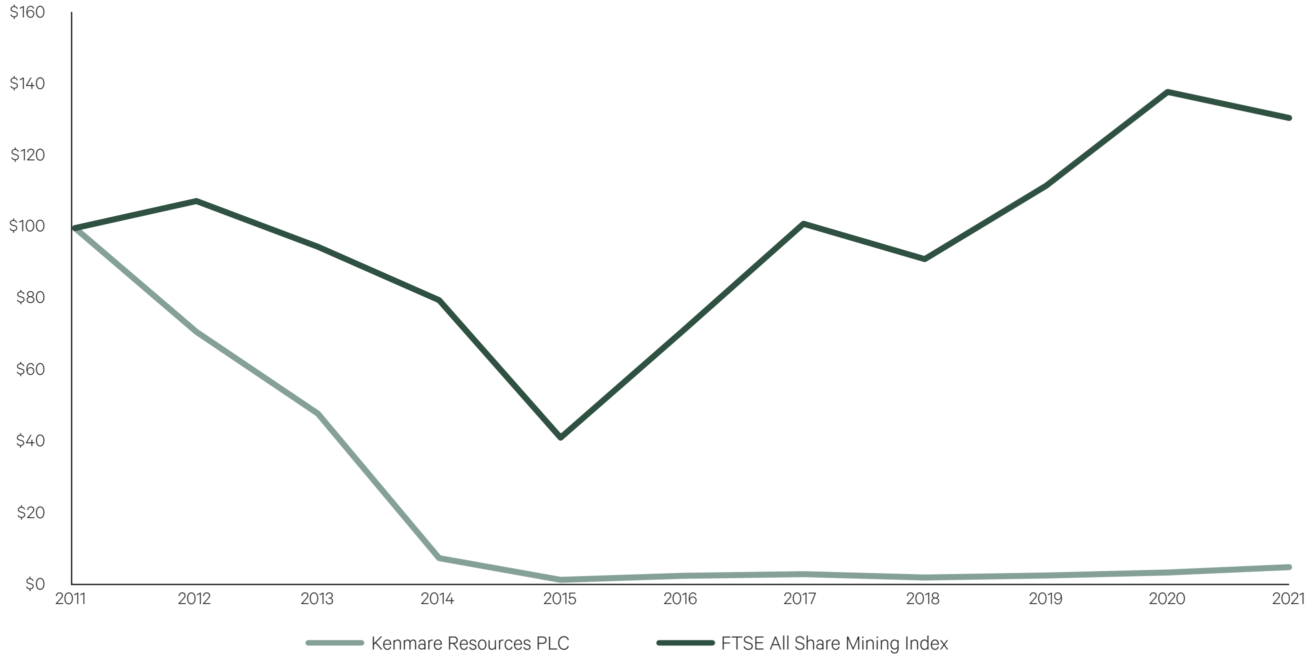
Executive Directors' shareholding requirement

In accordance with the current Remuneration Policy, the Executive Directors are required to build up shareholdings equal to 250% of their respective salaries by 25 May 2022. This requirement can be met both by shareholdings held by the Executive Directors (directly or indirectly) and, on a net of tax basis, by unvested share awards that are not subject to performance or underpin conditions. As of 31 December 2021, the shareholding of each of the Executive Directors exceeded this requirement.

Performance graph and table

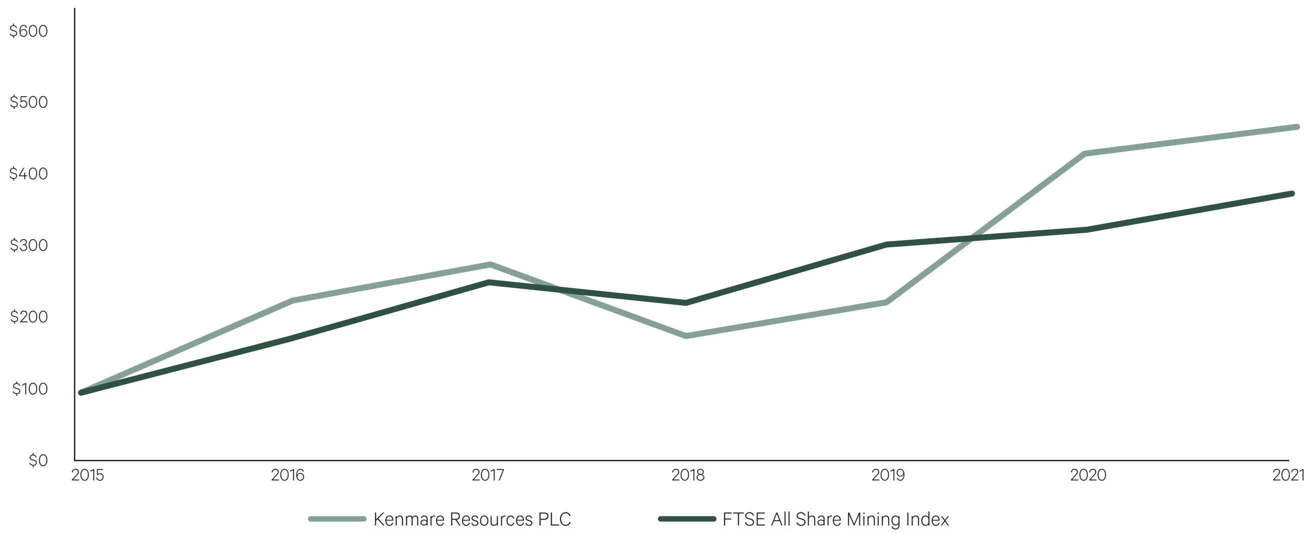
The value at 31 December 2021 of $100 invested in the Group in 2011 compared with the value of $100 invested in the FTSE All Share Mining Index, as this is a relevant sector index of which Kenmare is a constituent, is shown in the graph below.

Value at 31 December 2021 of $100 investment at 31 December 2011



The statutory chart above includes a period prior to the capital raise in 2016. The share price declined significantly during this period due to a number of factors, including challenging commodity markets. However, Kenmare's share price performance since the 2016 capital raise has been strong (with the share price as at 31 December 2021 being £4.64, 100% above the 2016 capital raise price of £2.32). As this performance is not easily visible in the statutory chart above, we therefore present a chart below prepared on the same basis but starting from 31 December 2015.

Value at 31 December 2021 of $100 investment at 31 December 2015



The remuneration paid to the Managing Director in the past 10 years is set out below:

		Single figure of total remuneration $'000	Bonus pay-out (as % maximum opportunity)	Long-term incentive vesting rates (as % maximum opportunity)
2021	Michael Carvill	1,135	60%	N/A
2020	Michael Carvill	1,070	62%	N/A
2019	Michael Carvill	1,444	47%	25%
2018	Michael Carvill	1,652	58%	83.3%
2017	Michael Carvill	1,528	59%	0%
2016	Michael Carvill	1,340	66%(i)	N/A
2015	Michael Carvill	744	22%(i)	N/A
2014	Michael Carvill	967	26%(i)	N/A
2013	Michael Carvill	809	0%	0%
2012	Michael Carvill	783	0%	N/A

(i) Amount shown reflects the cash and deferred share award under the Kenmare Incentive Plan (KIP), part of which is conditional on long-term performance.

In line with the European Union (Shareholders' Rights) Regulations 2020 and with the regulations set out in the UK's Large and Medium-sized Companies and Groups (Accounts and Report) (Amendment) Regulations 2013, to which the Group has regard, figures shown in the table above relate to remuneration for performance each year.

Percentage change in remuneration and Company performance

Annual change	2021 %	2020 %
Directors' remuneration		
Executive Directors		
Michael Carvill, Managing Director(i)	**6%**	(26%)
Tony McCluskey, Financial Director(i)	**7%**	(28%)
Non-Executive Directors (ii)		
Peter Bacchus	**20%**	13%
Elaine Dorward-King	**(10%)**	29%
Clever Fonseca	**4%**	18%
Tim Keating	**(76%)**	8%
Graham Martin	**6%**	6%
Steven McTiernan	**7%**	0%
Sameer Oundhakar	**N/A**	N/A
Gabriel Smith	**(60%)**	0%
Deirdre Somers	**226%**	N/A
Andrew Webb	**N/A**	N/A
Group performance		
Net profit	**669%**	(63%)
Employee average remuneration on a full-time equivalent basis		
Employees of the Company Kenmare Resources plc	**10%**	7%

(i) The reduction in 2020 was driven by the introduction of the underpin in the KRSP which means the 2020 awards will be reflected in the single figure table at the time of vesting.
(ii) The changes in the Non-Executive Directors fees are a result of changes to Board and/or Committee composition and responsibilities during 2021.

Relative importance of spend on pay

Annual change	2021 $'000	2020 $'000	Change
Overall spend on pay including Directors	**46,712**	40,518	6,194
Profit distributed by way of dividend and share back	**97,983**	8,594	89,389
Group cash operating costs	**189,700**	158,000	31,700

Average numbers throughout the Group increased from 1,499 in 2020 to 1,551 in 2021.

Group cash operating costs have been included in the table in order give a context to spend on pay relative to the overall cash operating costs.

Statement of implementation of policy in 2022 (audited)

Base salary

The base salaries for the forthcoming year are due to increase by 5.0% reflecting an inflation adjustment for the period and in line with agreed increases to Kenmare corporate staff and are set out below:

Executive Director	2021 $'000	2020 $'000	% Change
Michael Carvill	**684**	651	5.0
Tony McCluskey	**452**	430	5.0

The underlying currency of Michael Carvill and Tony McCluskey's base salaries is Euro. The US Dollar figures shown above for 2022 have been calculated using the average 2021 Euro to US Dollar exchange rate. The final US Dollar figure for 2022 will vary depending on exchange rate movements.

Annual bonus

The incentive opportunity for the Executive Directors under the incentive scheme for 2022 will be as follows:

Executive Director	On-target incentive (% of salary)	Maximum incentive (% of salary)
Michael Carvill	**50**	100
Tony McCluskey	**50**	100

The performance metrics for 2022 annual bonuses and their associated weightings are as follows:

Area	Measure	Weight[i]
Operational	Ilmenite, zircon, rutile and concentrates production volumes	30%
Financial	EBITDA	10%
	Total cash operating costs	10%
	Cash operating cost per tonne	5%
	TSR	5%
ESG	Safe & Engaged Workforce A Healthy, Natural Environment Thriving Communities Trusted Business	25%
Project execution		10%
Corporate		5%

i The respective weightings for the Managing Director and Financial Director will be the same for all metrics except for the corporate category, where the Remuneration Committee will determine appropriate splits reflecting their respective responsibilities and challenges in these areas in 2022.

The targets have not been disclosed due to commercial sensitivity but will be disclosed in the 2022 annual report on remuneration. The performance metrics as set out above seek to deliver ongoing progress in relation to operational performance, cost efficiency, ESG, and strategic corporate objectives. The performance targets associated with the quantitative measures are in line with guidance issued in January 2022.

Kenmare Restricted Share Plan

The maximum award level for the Executive Directors under the KRSP for 2022 will be 100% of base salary. For the current Executive Directors only, the share price used to determine the award levels will not be less than £2.32, the open offer price for the 2016 capital raise.

In addition to the assessment of the appropriate award level prior to grant, the Remuneration Committee will also undertake a discretionary underpin performance assessment prior to vesting. The assessment of the underpin will consider Company and individual performance over the three-year vesting period. This provides the Committee with the ability to take a holistic view of the Company's performance to ensure that the vesting level is appropriate.

The following four core elements will be considered as part of the underpin assessment, although the Committee may consider other factors in addition to these:

- Operational performance outcomes under the annual bonus scorecard over the three-year period;
- Share price performance since grant;
- ESG performance; and
- Major strategic or project decisions and return on investment.

The Committee does not intend to set fixed, quantitative underpins in respect of these factors. Instead, in completing its assessment, the Committee may consider the following questions:

- Has operational performance been below threshold in any year during the vesting period? If so, has this been offset by performance in a prior or subsequent year?
- Has there been a material decline in the share price or failure to meet shareholder expectations for growth?
- Have there been any adverse ESG issues arising during the vesting period, or any significant health and safety incidents?
- For major projects which have commenced during the vesting period, what progress has been made? For major projects that have been completed during the vesting period, what were the outcomes against original expectations and how do these translate to returns to shareholders?

In making an adjustment to vesting levels, the Committee will also consider the extent to which the matter has already been reflected in the annual bonus scheme outcomes. Furthermore, the Committee will consider these factors in both an individual and collective context, meaning that there may be different vesting levels for each participant.

Malus and clawback provisions will apply, as set out in the Directors' remuneration policy. Awards will be subject to malus during the vesting period. Clawback will apply for two years post-vesting.

Statement of voting at AGM

The table below shows the outcome of the advisory vote on the Directors' Remuneration Report at the 2021 AGM and the Directors' Remuneration Policy at the 2020 AGM

Item	Votes for	%	Votes against	%	Votes withheld
Advisory vote on 2020 Directors' Remuneration Report	78,022,305	98.02	1,572,956	1.98	34,776
Advisory vote on Directors' remuneration policy	70,960,538	91.02	6,997,155	8.98	11,440

This report was approved by the Board of Directors and signed on its behalf by:

GRAHAM MARTIN
CHAIR OF THE REMUNERATION COMMITTEE

4 April 2022

REMUNERATION POLICY REPORT

Introduction

The remuneration policy (the "policy") as summarised below was approved by a shareholder vote at the Annual General Meeting on 13 May 2020 and applies for the period of three years from the date of approval. For clarity, a summary of the policy is included in this report. The full policy can be found in the 2019 Annual Report, which is available under the Investors section of our website, www.kenmareresources.com.

Remuneration policy

The main components of the remuneration policy and how they are linked to and support the Group's business strategy are summarised in the table below. The policy covers all remuneration payments to Directors, and includes no provisions for derogations.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Base Salary	Supports the recruitment and retention of Executive Directors recognising the scope and responsibility of the roles and the individual's skills and experience.	Reviewed annually with increases generally effective from 1 January. When determining levels, consideration is given to: • Group performance; • the performance of the Executive Director over the previous 12 months; • the salary review budget for all employees for the coming year; • retention risk and the ability to replace higher value skills if needed in the market; • benchmarking data of other UK and Irish listed companies of similar market capitalisation and practice in the global mining sector; • inflation; and • the rewards, incentives and conditions available to the Group's workforce.	Base salary reviews for Executive Directors are at the discretion of the Remuneration Committee but will generally be increased with the cost of living and with consideration to general Group increases. The only exceptions to this rule are where: • there is a significant movement in the benchmarking data for that role; or • an individual is brought in below market level with a view to increasing base pay over time to reflect proven competence in role; or • there is a material increase in scope or responsibility of the Executive Director's role.	None.
Benefits	Provides market competitive benefits to support Executive Directors in carrying out their duties.	Benefits include holiday and sick pay, family health insurance, permanent health insurance, life assurance and an annual health check. The Managing Director has a company car. The Group also reimburses the Executive Directors in respect of all expenses reasonably incurred by them in the proper performance of their duties. The Group may introduce new benefits that are, or become, prevalent in a jurisdiction in which it operates and in which a Director is located.	Set at a level appropriate to the individual's role and circumstances. The maximum opportunity will depend on the type of benefit and cost of its provision, which will vary according to the market and individual circumstances.	None.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Pension	To provide a market competitive remuneration package by facilitating long-term saving for retirement.	Each Executive Director is entitled to receive a payment into the Company's group personal pension plan or their private pension arrangements, or alternatively a salary supplement in lieu of such a contribution.	The maximum pension contribution for Executive Directors is 10% of salary.	None.
Annual bonus	To ensure a market competitive package and to incentivise Executive Directors to achieve the Group's business objectives.	Based on the level of performance over the financial year, the annual bonus will be paid in cash shortly after the end of the relevant financial year up to a maximum cash payment of 50% of base salary. Where the annual bonus achieved exceeds 50% of base salary, Executive Directors will be granted restricted shares under the KRSP in respect of the excess outcome above this level, which will vest three years from grant date. If the Remuneration Committee, in exceptional circumstances, believes that payment in cash is not appropriate it will instead be able to make an award of shares under the KRSP of equivalent value. Such restricted shares would not be subject to forfeiture but would be subject to a minimum retention period. Clawback will apply to cash annual bonus awards for two years from the date of payment. Annual bonus awards made in the form of restricted shares will be subject to malus during the vesting period. Clawback will apply to these for two years post-vesting.	The maximum annual opportunity is 100% of base salary.	Performance is measured over the financial year. Performance metrics and targets are determined at the start of each year by the Remuneration Committee and will consist of a balanced scorecard of financial and non-financial measures. The Remuneration Committee has the discretion to vary the weighting of the metrics or to substitute different measures over the lifetime of the policy to take account of changes in business strategy and/or external market conditions, but a significant proportion of the bonus scorecard will be weighted towards financial and operational metrics. The targets and actual levels of performance will be disclosed retrospectively within the implementation section of the Annual Report on Remuneration. The Remuneration Committee will have the discretion to adjust the results of the outcome of the scorecard if it believes this does not accurately reflect the underlying performance or align with the experience of shareholders.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Share awards under the Kenmare Restricted Share Plan ("KRSP")	To increase shareholder alignment by providing Executive Directors with longer-term interests in shares.	Annual awards of shares will be made under the Kenmare Restricted Share Plan. The awards will vest on the third anniversary of grant subject to continued employment and the Remuneration Committee's assessment against a discretionary underpin. Vested shares are then subject to a further two-year holding period. Participants may sell sufficient shares at the point of vesting to cover their tax liabilities. Awards will be subject to malus during the vesting period. Clawback will apply for two years post-vesting. Awards made under the KRSP may carry an entitlement to dividend equivalents in respect of dividends paid between grant and vesting.	The maximum award level in any year is 100% of base salary.	The Remuneration Committee will use its discretion to consider the appropriate level of award (including making no award) if it believes this is appropriate in light of the Group's performance and that of the individual Executive Director at the time of making of the award. The share price used to determine the award levels will normally be the share price shortly before the date of grant. However, for the current Executive Directors only, the share price used will not be less than the open offer price for the 2016 capital raise (£2.32). Vesting of the award will be subject to a performance underpin based on a number of corporate indicators. The Committee will consider whether performance against such indicators has been adequately adjusted for under the annual bonus outcome when considering their use of discretion. The underpin has no predetermined targets and will be assessed retrospectively based on performance over the three-year vesting period. The Committee will provide a full disclosure of their assessment within the Annual Report on Remuneration.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Shareholding requirement	To strengthen the alignment between the interests of Executive Directors and those of shareholders.	Executive Directors' shareholding measured after the five-year period from the 2017 AGM (or date of appointment if later).	Shareholding requirement during employment of 250% of salary. Post-cessation shareholding requirement of 100% of the in-employment shareholding requirement (or actual shareholding on departure if lower) for two years post-employment. Unvested shares which are not subject to performance or underpin conditions will count towards the shareholding requirement on a net of tax basis. The post-cessation shareholding requirement applies to awards granted after the 2020 AGM. This does not apply to shares purchased voluntarily from an Executive Director's own funds.	N/A
Non-Executive Director fees	To provide a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience and ability to make a significant contribution to the Group's activities.	The Non-Executive Directors are remunerated entirely through fees and associated benefits. They are not eligible to receive any performance-related remuneration nor do they hold share options.	The fees paid to the Non-Executive Directors are set at a level to attract individuals with the necessary experience and ability to make a significant contribution to the Group's activities, while also reflecting the time commitment and responsibility of the role.	None.

Performance measures and targets

The Remuneration Committee selects performance conditions for the Annual Bonus which reflect the Group's overall strategy and are the key metrics used by the Executive Directors to oversee the operation of the business. They are determined annually. They typically include both production, financial and non-financial performance criteria. In the past, they have, for example, related to areas such as community safety, environmental compliance, health and safety (both workforce and community related) and other ESG targets. The performance criteria for 2021 are described on pages 110 and 111 and those for 2020 are described on pages 104 and 105 of the 2020 Annual Report. The performance metrics for 2022 are set out on page 116.

The Committee believes that the KRSP will continue to provide an opportunity for the Executive Directors to build meaningful shareholdings in the Company and therefore further align the longer-term experience of shareholders and management. The introduction of a performance underpin ensures that the Committee has the ability to reduce vesting outcomes if Group or individual performance does not warrant full vesting of the award. The underpin will not be assessed based on pre-determined targets; it will be a discretionary retrospective assessment and the Committee will provide a full disclosure of its assessment. The Remuneration Committee intends to use a broad range of corporate indicators which are intended to reflect overall performance of the Group during the vesting period.

Service Contracts

The Company's policy is that Executive Directors should have a notice period of no more than 12 months. Other than in the case of termination by an Executive Director on change of control, the notice periods are 12 months' notice from the Company and three months' notice from the Executive Director.

As a listed company, all of the Executive Directors and Non-Executive Directors are subject to annual re-election at the AGM. The Executive Directors' service contracts have no fixed duration save for a retirement age of 65.

In the event of termination, the Remuneration Committee will agree an appropriate termination payment for the relevant individual reflecting the circumstances, service and existing contractual terms and conditions.

The Company has the right, or may be required in certain circumstances, to make a payment in lieu of notice of termination, the amount of that payment being base salary and benefits that would have accrued to the Executive Director during the contractual notice period. In addition, the Remuneration Committee reserves the right to allow continued participation in the Company's incentive arrangements during the notice period.

Upon a change of control, each Executive Director has the right to terminate his employment by notice and be entitled to receive an amount equal to 12 months' salary, cash equivalent of benefits and pension contributions, subject to such amount being reduced by the equivalent amounts in respect of any months worked by the Executive Director after his giving of notice. Such payment would be in settlement of all claims that the Executive Director may have against the Group, but shall not affect the Executive Director's entitlement to accrued but unpaid salary, deferred bonus or similar incentive payments and certain other amounts.

Michael Carvill serves as a Director for a number of private companies but receives no fee for his services. Tony McCluskey does not serve as a Non-Executive Director elsewhere.

Non-Executive Directors' remuneration

Non-Executive Directors' appointment may be terminated by either party giving to the other one month's prior written notice. The Non-Executive Directors are remunerated entirely through fees. They are not eligible to receive any performance-related remuneration nor do they hold share options. The fees paid to the Non-Executive Directors are set at a level to attract individuals with the necessary experience and ability to make a significant contribution to the Group's activities, while also reflecting the time commitment and responsibility of the role. Additional per diem rates may be paid to Non-Executive Directors when the meeting load has significantly exceeded what would be expected in the normal course of business.

None of the Non-Executive Directors had a beneficial interest in any contract to which the Company or any of its subsidiary undertakings was a party to during the financial year.

Non-Executive Directors are not entitled to any compensation on the termination of their appointment. All Directors are subject to annual re-election. No compensation is payable to Non-Executive Directors if they are not re-elected.