



ATALAYA  
MINING

# Terms of Reference for the Physical Risk Committee

ATALAYA MINING PLC

## **Atalaya Mining plc (the “Company”)**

Adopted at a meeting of the Board held on 15 November 2023.

Terms of reference for the Physical Risk Committee

### **1. Constitution**

The committee has been established by a resolution of the board of directors of the Company (the “**Board**”) and is to be known as the Physical Risk Committee (the “**Committee**”).

### **2. Membership**

2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company in consultation with the Chair of the Committee and shall consist of not less than three members. The members of the Committee shall consist of at least of two independent non-executive directors of the Company.

2.2 The Chair of the Committee shall be appointed by the Board. In the absence of the Chair of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2.3 Each member of the Committee shall disclose to the Committee:

- (a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or
- (b) any potential conflict of interest arising from a cross-directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee or absent himself from all or part of the meeting of the Committee in question.

2.4 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director still meets the criteria for membership of the Committee.

2.5 Membership of the Committee shall be noted in the annual directors' report of the Company.

2.6 The Committee may appoint an expert External Adviser to assist it in performing its duties. The terms of appointment of such an External Adviser shall be agreed by the Committee. The External Adviser shall attend meetings of the Committee as agreed.

### **3. Committee Chair**

- 3.1 The Committee Chair is responsible for the operation and effectiveness of the Committee.
- 3.2 The Committee Chair shall ensure that all relevant information and opinions are brought to the attention of the Committee members, so that they can formulate an accurate assessment of the matters under consideration, and so that appropriate items may be placed on to the agenda of the Board.

The Committee Chair shall have considered, in advance of each Committee meeting, the different possible outcomes of the matters that will be under discussion and the possible further action that may be required

### **4. Attendance at Meetings**

- 4.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the general managers of the operations, any other member of the Board and external advisers may be invited to attend for all or part of any meeting, as and when appropriate but such persons shall have no right of attendance.
- 4.2 All non-executive directors are encouraged and welcome to attend the Committee meetings to provide their view on the issues discussed during the session.

### **5. Secretary of the Committee**

- 5.1 The Secretary of the Company, or their nominee, shall be the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 5.2 In the absence of the Secretary of the Committee, the members present at the meeting of the Committee shall elect another person as the Secretary.
- 5.3 The Secretary of the Committee shall assist the Chair of the Committee to determine the agenda for meetings to ensure that the Committee can effectively discharge its responsibilities.
- 5.4 The Secretary of the Committee should not be a member of the Committee.

### **6. Proceedings at Meetings**

- 6.1 The quorum for a meeting of the Committee shall be two members of the Committee, both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

- 6.2 Members of the Committee may attend meetings of the Committee either in person, by telephone or through other means of electronic communication, provided all participating Committee members can hear each other.
- 6.3 Should any member of the Committee wish to attend a meeting by telephone or through other means of electronic communication, prior arrangements shall be made with the Secretary of the Committee.
- 6.4 Subject as provided in paragraph 2.3 above, each member of the Committee shall have one vote. In the event of an equality of votes, the Chair of the Committee shall have a second or casting vote (again subject as provided in paragraph 2.3 above). In the absence of the Chair or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

**7. Frequency of Meetings**

Meetings shall be held at least three times a year and otherwise as required.

**8. Notice of Meetings**

- 8.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair of the Committee or any of its members.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded by the Secretary of the Committee to each member of the Committee, any other person required to attend and all other non-executive directors no later than three working days (which notice may be waived by any director) before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.

**9. Minutes of Meetings**

- 9.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless, exceptionally, it would be inappropriate to do so.
- 9.3 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interests and minute them accordingly.

**10. Annual General Meeting**

The Chair of the Committee shall attend the annual general meeting of the Company and be available to respond to any shareholder questions on the

Committee's activities. In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **11. Authority**

- 11.1 The Committee is authorised by the Board to investigate and undertake any activity within its terms of reference. It is authorised to seek any information it properly requires from any director, employee or professional adviser and all directors, employees and professional advisers are directed to co-operate with any request made by the Committee.
- 11.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.

## **12. Duties**

- 12.1 The Chair of the Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.
- 12.2 The duties of the Committee are as follows:
- (a) chairing all meetings of the Committee in a manner that promotes meaningful discussion.
  - (b) ensuring adherence to the Committee's Terms of Reference and that the adequacy of the Committee's Terms of Reference is reviewed annually.
  - (c) providing leadership to the Committee to enhance the Physical Risk's effectiveness, including:
    - (i) providing the information to the Board relative to the Committee's issues and initiatives and ensuring that the Atalaya Mining Group has adequate processes for managing health, safety and security risks for our employees and our contractors and complying with significant applicable legal, ethical and regulatory requirements.
    - (ii) ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the Senior Management and the Board;
    - (iii) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner; and

- (iv) ensuring that the Committee serves as an independent and objective party to monitor Atalaya Mining's risk management system;
- (d) managing the Committee, including:
  - (i) Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including the Committee structure and composition, scheduling, and management of meetings;
  - (ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - (iii) ensuring meetings are appropriate in terms of frequency, length and content; and
- (e) It is recognized that members of the Committee who are Non-Executive Directors are not full-time employees of the Company and generally do not represent themselves as experts in the fields of safety, health, security or risk management. As such, it is not the responsibility of the Committee personally to conduct safety, health, security or risk reviews.
- (f) Committee members are entitled to rely on Atalaya Mining Management with respect to matters within their responsibility and on external professionals on matters within their areas of expertise.
- (g) Committee members may assume the accuracy of information provided by such persons, so long as the members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.
- (h) Management is responsible for implementing, managing and maintaining appropriate enterprise-wide safety, health, security and risk management systems, policies and procedures, reporting protocols and internal controls that are designed to ensure compliance with applicable laws and regulations. Management is also responsible for the preparation, presentation and integrity of the information provided to the Committee.

### **13. The Committee**

- 13.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

- 13.2 The Committee shall make available its terms of reference for inspection at the registered office of the Company and on the Company's website.

#### **14. Reporting Procedures**

- 14.1 The Chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities including the content of its discussion, recommendations and actions to be taken.
- 14.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for Board discussion when necessary.

#### **15. General**

- 15.1 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 15.2 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 15.3 Any of the terms set out in this document may be varied by a majority resolution of the Board.