



ATALAYA
MINING

Terms of Reference for the Remuneration 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 Remuneration Committee

1. **Constitution**

The committee has been established by resolution of the board of directors of the Company (the “**Board**”) and is to be known as the Remuneration 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, on recommendation of the Nomination and Governance Committee in consultation with the Chair of the Committee and shall consist of not less than three members. All members of the Committee shall be independent non-executive directors of the Company. The Chair of the Board may only also serve on the Committee as an additional member if they were considered independent on appointment as Chair of the Board.

2.2 The Chair of the Committee shall be an independent non-executive director who shall be appointed by the Board and shall not be the Chair of the Board. The Chair of the Committee should also have served on a remuneration committee for at least 12 months. 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 from those who would qualify under these terms of reference to be appointed to that position by the Board.

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 him/herself 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.

3. **Committee Chair**

Key responsibilities of the Chair of the Committee shall include:

- (a) setting agendas for Committee meetings, chairing those meetings and ensuring the effective operation of the Committee;
- (b) ensuring that comprehensive information is available in advance of meetings to enable informed decision making;
- (c) ensuring that the Committee addresses all the tasks delegated to it;
- (d) ensuring that the decisions made about each individual director's remuneration package, including KPIs required for annual or long-term incentive schemes, are both clearly recorded and clearly communicated to individual directors in a timely manner;
- (e) leading consultations with shareholders on remuneration policy when there is a proposed significant change to the policy;
- (f) communicating the work of the Committee through drafting the annual remuneration report; and
- (g) answering questions on the annual remuneration report and about remuneration more generally at shareholder meetings.

4. **Attendance at Meetings**

- 4.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the head of human resources, the Chief Executive Officer, 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 have no right of attendance.
- 4.2 No member of the Board shall participate at a meeting of the Committee (or during the relevant part) at which any part of their remuneration (including their options) is being discussed or participate in any recommendation or decision concerning their remuneration (including their options).

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.

6. **Proceedings at Meetings**

- 6.1 A quorum for a meeting of the Committee shall be two members. 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 paragraphs 2.3 and 4.2, 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 paragraphs 2.3 and 4.2 above). In the absence of the Chair of the Committee, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board

7. **Frequency of Meetings**

Meetings shall be held not less than three times a year and otherwise as required. Further meetings may be required if the Company is consulting on a possible change to the remuneration arrangements and as the Company develops a forward-looking policy, particularly if this needs to be approved by shareholders.

8. **Notice of Meetings**

- 8.1 Meetings of the Committee shall be summoned 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, 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.
- 8.3 The Secretary of the Committee will be responsible for ensuring that supporting papers are only accessible to the relevant meeting attendees and are circulated in a manner compliant with the Company's data protection policies.

9. **Minutes of a 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 interest and minute them accordingly. Where the Committee considers the remuneration of the Secretary of the Company (also being the Secretary of the Committee), a conflict of interest risk arises. In this circumstance, it will be appropriate for the Committee to designate a member of the HR team to undertake the task of taking the relevant meeting minutes.

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 matter 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 requests made by the Committee.
- 11.2 The Committee is authorised and responsible for the appointment and selection of advisers to the Committee including remuneration consultants and is responsible for their specific terms of reference. The Committee can commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants. Full disclosure of such appointments, fees and their services should be made in the remuneration report.
- 11.3 All advisers, whether acting as remuneration consultants or otherwise, should satisfy a strict test of independence and where relevant pay attention to the provisions of the Financial Reporting Council's Revised Ethical Standard 2019. The Committee shall consider appointing advisers that follow professional codes of conduct such as that of the Remuneration Consultants Group.
- 11.4 The Committee is authorised to delegate certain duties, provided that the Committee will take the lead in making all decisions on remuneration policy and this must not be handed over to advisers.
- 11.5 The Committee is authorised by the Company to access Company records and such information as is necessary to fulfil its duties.
- 11.6 The Committee is authorised by the board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.



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12. **Purpose**

The purpose of the Committee is to:

- (a) ensure that the executive directors and other key employees of the Company (together, “**Executives**”) are fairly rewarded for their individual contribution to the overall performance of the Company; and
- (b) demonstrate to the shareholders of the Company that the remuneration of the Executives are set by a committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of shareholders of the Company.

13. **Duties**

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

13.1 There are five key responsibilities for the Committee:

- (a) to develop remuneration packages to support the delivery of business objectives in the short, medium and long-term;
- (b) to align the interests of the Executives with the interests of long-term shareholders;
- (c) to apply performance criteria to encourage Executives to operate within the risk parameters set by the Board;
- (d) to ensure that the Company can recruit and retain high quality Executives through fair and attractive, but not excessive, packages; and
- (e) to communicate with the shareholders through the annual report on remuneration.

13.2 The duties of the Committee are:

- (a) to have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Company's Chair of the Board and executive directors and C-Suite, including the Secretary of the Company, in accordance with the Principles and Provisions of the Governance Code ;
- (b) establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares;

- (c) design remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to the Company's purpose and values, clearly linked to a successful delivery of the Company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances;
- (d) in determining Executive director policy and practices, to take into account all factors which it deems necessary including the Governance Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- (e) in determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Governance Code and associated guidance. The objective of such policy shall be to attract, retain and motivate Executives of the quality required to run the Company successfully (but avoid paying more than is necessary for this purpose, having regard to views of shareholders and other stakeholders) and to co-ordinate closely with the Company's Nomination and Governance Committee in relation to the remuneration to be offered to any new Executive;
- (f) within the terms of the agreed policy and in consultation with the Chair of the Board and/or C-Suite as appropriate, determine the total individual remuneration package of each Executive director and other senior Executives including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of company and individual performance, and wider circumstances;
- (g) review workforce remuneration and related policies;
- (h) to approve the design of, and determine targets for, basic salary and fees, any performance related pay schemes, discretionary payments including compensation payments, pension contributions, benefits in kind and all forms of long term incentive schemes operated by the Company and approve the total annual payments made under such schemes;
- (i) to consider clawback and equivalent arrangements which may be required in certain circumstances, such as impropriety of any Executives;
- (j) to consider whether the Executives should be eligible for annual bonuses and, if so, to consider an upper limit for such bonuses;

- (k) to consider where to position the Company relative to other companies and to be aware what comparable companies are paying, taking account of relative performance and using such comparisons with caution;
- (l) to be sensitive to the wider scene, including pay and employment conditions elsewhere in the Company's group, especially when determining annual salary increases;
- (m) to approve the terms of any service agreement to be entered into with any Executive, bearing in mind that the performance-related elements of remuneration should form a significant proportion of the total remuneration package of Executives and should be designed to align their interests with those of the shareholders of the Company;
- (n) to review the ongoing appropriateness and relevance of the remuneration policy;
- (o) to review the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, timing, exercise price and conditions of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used and to consider whether the Executives should be eligible for benefits under long-term incentive schemes and to weigh traditional share option schemes against other kinds of long-term incentive schemes;
- (p) to approve any amendments to be made to the rules of the share options schemes or the adoption of a new replacement scheme of the Company or its subsidiaries (except where such amendments require shareholder approval);
- (q) to determine the policy for, and scope of, pension arrangements for each Executive director and other senior Executives and to consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration, especially for Executives close to retirement;
- (r) ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (s) to consider and determine what compensation commitments (including pension contributions) the Executives' service agreements, if any, would entail in the event of early termination. Particular consideration should be given to the advantages of providing explicitly in the initial contract for such compensation commitments except in the case of removal for misconduct;

- (t) in early termination cases where the initial contract does not explicitly provide for compensation commitments, to tailor its approach (within legal constraints) to the circumstances. The Committee should ensure that poor performance is not rewarded, while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing Executives' obligations to mitigate loss;
- (u) in determining such packages and arrangements, to give due regard to any relevant legal requirements, including the provisions and recommendations of any relevant corporate governance codes and associated guidance and any published guidelines regarding the remuneration of directors of companies whose shares are traded on the Main Market of the London Stock Exchange (as applicable);
- (v) to oversee any major changes in employee benefits structures throughout the Company or group;
- (w) to vet, authorise and agree the policy for authorising claims for expenses from the directors;
- (x) to ensure that all provisions regarding disclosure of remuneration packages, structures, policy, including pensions are fulfilled;
- (y) to work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly; and
- (z) to consider other matters as referred to the Committee by the Board.

13.3 A Committee member:

- (a) shall be prepared to justify the decisions of the Committee to Executives and be independent in line with the Company's adopted corporate governance code;
- (b) shall be willing and able to resist unjustified demands from the executive team;
- (c) shall always be willing to seek and take into consideration the views of shareholders;
- (d) shall commit sufficient time to the role and be willing to develop the necessary skills and knowledge (including, for example, current market practice, taxation and legal requirements) to work as part of the Committee; and
- (e) shall be prepared to seek external advice when necessary to enable informed decision making.

14. **Exclusions**

The Board, or where required by the Company's articles of association, the shareholders, should determine the remuneration of the Company's non-executive directors. Further, no director or senior manager of the Company shall be involved in any decisions as to their own remuneration. The Committee may however, in consultation with a third party remuneration advisor, make recommendations for full board approval of the non-executive directors.

15. **Reporting Procedures**

- 15.1 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.
- 15.2 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 available for Board discussion when necessary.

16. The Committee

- 16.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- 16.2 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.
- 16.3 The Committee shall give due consideration to all relevant laws and regulations, the provisions of the Governance Code and published guidelines or recommendations regarding the remuneration of company directors and the formation and operation of share incentive plans, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.
- 16.4 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.
- 16.5 The Committee shall make available its terms of reference for inspection at the registered office of the Company and on the Company's website.

17. General

- 17.1 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 17.2 Any of the terms set out in this document may be varied by a majority resolution of the Board.