

Remuneration Committee Mandate

Purpose

The Remuneration Committee (“REMCO” or “Committee”) reviews the performance of the directors and executive committee members (“EXCO”), and sets the scale and structure of their remuneration with due regard to the interests of the shareholders and the overall performance of the Group. The REMCO also makes recommendations to the board concerning the overall Company philosophy and policy with respect to executive remuneration, bonuses and incentive arrangements including share and option awards, compensation payments and pension rights.

Operation

Composition

- The REMCO shall consist of not less than three non-executive directors;
- Members of the Committee shall be determined by the board on the recommendations of the Nomination Committee;
- The REMCO shall be chaired by the member with the most appropriate experience and knowledge. The Chairman of REMCO shall be recommended by the Nomination Committee;
- A quorum shall be two members of the Committee;
- The Company Secretary will be secretary of the Committee;
- The Committee may also invite other members of the board, EXCO, and/or any third party consultant as appropriate;
- It shall be considered normal for authority to be delegated to a sub-committee regarding the implementation of the principles and recommendations of the REMCO. Such a sub-committee shall consist of the Chairman of the REMCO and the Chief Executive Officer.

Frequency

- The committee shall meet at least twice a year.

Roles & responsibilities

- to review the performance objectives and determine and agree the appropriate levels of remuneration for the non-executive directors, and the EXCO of the Company;
- to determine the remuneration of the chairman of the board, as well as chairmen of all board committees;
- to review the design and management of Group salary structures and incentive schemes, and to ensure proper authorisation for any awards made under such schemes;
- to review the recommendations of the Chief Executive of the Company as to the grant of share awards and other bonuses, and to approve such awards as appropriate;
- to review and approve the Remuneration Report in the Avocet Mining PLC Annual Report.