

# **REMUNERATION COMMITTEE CHARTER**

2019

---

## REMUNERATION COMMITTEE CHARTER

### 1 PURPOSE OF THE CHARTER

The Remuneration Committee (the Committee) is a committee of the Centamin plc (the Company) Board (the Board) and operates within the governance structure of the Company and its subsidiaries (the Group). The Committee's primary functions as set out in this Charter (the Charter) are to make recommendations to the Board on:

- (a) the remuneration, recruitment, retention, termination, superannuation and incentive policies and procedures for Senior Executives; and
- (b) the Group's employee or executive incentive share plans.

This Charter has been updated to take account of the provisions of the 2018 UK Corporate Governance Code (the Code) and best practice guidance issued by the Financial Reporting Council.

### 2 MEMBERSHIP, TERM AND VOTING

- 2.1 The members of the Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not fewer than three members, all of whom must be independent Directors as per the definition of independence contained within the Company's Directors' Test of Independence Policy. A quorum shall be two members.
- 2.2 The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board. Before appointment as Chairman of the Committee, he or she should have served on a remuneration committee for at least 12 months.
- 2.3 The chairman of the Board may serve as a member of the Committee providing he or she was an Independent Non-Executive Director on appointment as chairman. The chairman of the Board shall not be Chairman of the Committee.
- 2.4 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the chairman of the Committee.
- 2.5 The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a Director of the Board.
- 2.6 Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as the members continue to be independent.
- 2.7 Matters arising for determination at Committee meetings shall be decided by a majority of votes of directors present and voting, and any such decision shall for all purposes be deemed a decision of the Committee.

- 2.8 In the case of equality votes, the Chairman of the Meeting, in addition to his deliberative vote, has a casting vote.

### **3 SECRETARY AND MINUTES**

- 3.1 The Company Secretary shall be the Secretary of the Committee.
- 3.2 The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to each member of the Committee. The Secretary of the Company shall retain the original signed minutes for filing with the corporate records of the Company. The minutes of meetings of the Committee shall be made available to all members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.
- 3.3 For the avoidance of doubt, the Company Secretary shall not be entitled to vote or be counted in the quorum in respect of any resolution of the Committee.

### **4 ATTENDANCE AND FREQUENCY OF MEETINGS**

- 4.1 Meetings of the Committee shall be called by the Company Secretary, at the request of the Committee Chairman. The Secretary shall prepare an agenda for each meeting, to be agreed by the Chairman of the Committee and ensure the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 4.2 Unless otherwise agreed, notice of the meeting will be sent to all members of the Committee no later than five working days before the date of the meeting.
- 4.3 Meetings shall be held when required, but in any event shall be held not less than twice per calendar year.
- 4.4 In the absence of the Chairman of the Committee, the remaining members of the Committee shall elect one of themselves to chair the meeting.
- 4.5 The Chairman of the Committee shall report to the Board following meetings of the Committee, and as otherwise requested by the Chairman of the Board.
- 4.6 A meeting of the Committee shall, where possible, be held close to the financial year end to review the Directors' Remuneration Report ("DRR") and the Directors' Remuneration Policy, in order that relevant resolutions may be submitted to shareholders for approval at the AGM.
- 4.7 Only members of the Committee have the right to attend the Committee meetings. Other Company directors, senior management and/or employees of the Company may be invited to attend any meeting (or part thereof) at the Committee Chairman's discretion. No Board Director shall attend that part of a meeting at which the performance or remuneration of that Director is being discussed.

- 4.8 Notwithstanding the above, if in the opinion of the Committee, their investigation or discussion will be assisted by hearing from the interested Board Director, the Committee may invite that Board Director to address the Committee. The Committee shall give fair consideration to that address. The Board Director will not, however, be invited to take part in the deliberations following that address.

## **5 CHAIRMAN OF THE COMMITTEE**

- 5.1 The Chairman of the Committee shall, where possible, attend the AGM to answer any shareholder questions on the Committee's activities.
- 5.2 The Chairman shall maintain contact, as required, with its principal shareholders about the Company's remuneration policy.

## **6 AUTHORITY AND RESOURCES**

- 6.1 The Committee is authorised by the Board to investigate any matter within its terms of reference and to make recommendations to the Board on any such matter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable requests made by the Committee.
- 6.2 The Committee is authorised by the Board to obtain, at the Company's expense, outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 6.3 The Committee shall have access to sufficient resources in order to carry out its duties, including legal or other professional advice on any matters within its terms of reference, including the assistance of the Company Secretary to fulfil its duties.
- 6.4 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

## **7 DUTIES**

- 7.1 The duties of the Committee include:
- (a) setting the Company's remuneration, recruitment, retention, incentive and termination policies and procedures for Senior Executives, including pension rights and any compensation payments;
  - (b) setting the basic salary paid to Senior Executives, taking account (where relevant) of any recommendations made by the Chairman and/or CEO of the Company, whilst taking care to recognise and manage conflicts of interest;
  - (c) setting the total remuneration package for the Chairman, CEO and other Senior Executives;

- (d) setting any bonuses to be paid to the Senior Executives and in respect of any element of remuneration which is performance related, to formulate suitable performance criteria and monitor their operation, and to consider any recommendations of the Chairman and/or CEO of the Company regarding bonuses or performance related remuneration, noting that performance conditions should be designed to promote the long-term success of the Company and be transparent, stretching and rigorously applied;
- (e) recommending the remuneration framework for Senior Executives, including the eligibility of the Senior Executives for annual bonuses and awards under long term incentive schemes, the objective being to attract, retain and motivate Senior Executives of the quality required to run the Company, having regard to views of shareholders;
- (f) determining the payment of annual bonuses and the vesting of awards under long term incentive schemes, taking into account the extent to which the associated performance conditions have been satisfied, and exercising appropriate discretion to override the formulaic outcomes where necessary;
- (g) developing and reviewing the Directors' Remuneration Policy, having regard to the risk appetite of the Company and alignment to the Company's long term strategic goals and culture;
- (h) monitoring the administration of all aspects of the employee or executive incentive share plans operated by or to be established by the Company;
- (i) reviewing the design of all share incentive plans for approval by the Board and where applicable the shareholders. Subject to the rules of each scheme and any applicable legal and stock exchange requirements, the review is to include the following matters:
  - (i) the selection of those eligible Senior Executives to whom options or awards should be granted;
  - (ii) the timing of any grant;
  - (iii) the number of shares over which options or awards are to be granted;
  - (iv) the exercise price at which options are to be granted;
  - (v) the imposition of any objective condition which must be complied with before any option or award may be exercised;
  - (vi) any such changes in employee benefit structures throughout the Group; and
  - (vii) the conditions upon which sums paid or awards granted may be recovered.

- (j) to have regard in the performance of the duties set out in this Clause to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of incentive schemes which the Committee considers appropriate, including obtaining up-to-date information about the remuneration policy of other companies of comparable scale and complexity whilst considering the risk of the potential for upward ratchet of remuneration when benchmarking against other companies;
- (k) to consider and make recommendations to the Board concerning the disclosure of details of remuneration packages and structures in addition to those required by law or by any of the stock exchanges the Company is listed on from time to time;
- (l) reviewing workforce remuneration and related policies and determining an appropriate method of engagement with the workforce to explain how executive remuneration aligns with wider company pay policy;
- (m) to determine and review superannuation arrangements of the Group;
- (n) establishing the criteria, selecting, appointing and setting terms of reference for any remuneration consultants who advise the Committee;
- (o) ensuring contractual terms on termination are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- (p) agreeing the policy for authorising claims for expenses from all Directors and Senior Executives.

7.2 The Board or where applicable, the shareholders at a general meeting, shall determine the remuneration of the Non-Executive Directors in accordance with the Articles of Association of the Company.

7.3 In carrying out its duties, the Committee shall give due consideration to the laws, regulations and any published guidelines or recommendations regarding the remuneration of Directors of listed companies and the formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, the listing rules governing the Toronto Stock Exchange and any other applicable rules, as appropriate.

## **8 REPORTING**

8.1 The Committee Chairman shall report to the Board on its proceedings following each meeting, making whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8.2 The Committee may determine that certain of the provisions regarding the disclosure of information as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Code and other relevant regulations are

required. The Committee is responsible for producing a report detailing the Directors' Remuneration Policy and its implementation (the Report) to be included in the Company's annual report and put to the shareholders for approval at the AGM by way of relevant resolutions. The content of the Report is subject to the information considered necessary or appropriate by the Committee.

- 8.3 The Report should identify any consultant used in producing the Report and any connections they may have with the Company.

## **9 EVALUATION**

- 9.1 The Committee will arrange for periodic reviews of its own performance and, at least annually, review its 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.

## **10 PUBLICATION OF CHARTER**

- 10.1 A copy of this Charter shall be made available on the Company's website [www.centamin.com](http://www.centamin.com) in the Corporate Governance section.

## **11 DEFINITIONS**

"Director" – Any Director of the Company whether Non-Executive or Executive.

"Senior Executives" – Executive Directors, the Chairman (irrespective of whether the Chairman is an Executive or not), the Chief Financial Officer, the Chief Operating Officer, the General Counsel, the Company Secretary and Senior Management as directed by the Chairman and/or CEO. Any roles below these positions are the responsibility of the CEO.