

## **Great Western Mining Corporation PLC (the “Company”)**

### **REMUNERATION COMMITTEE TERMS OF REFERENCE**

Terms of reference for the remuneration committee (the “**Committee**”) of the board of directors (the “**Board**”) of the Company constituted pursuant to Article 111 of the Company’s articles of association.

#### **1. MEMBERSHIP**

1.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least 1 member.

1.2 All members of the Committee shall be independent non-executive directors.

1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, the head of human resources, any relevant senior member of staff and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.

1.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for periods of up to three years provided the director still meets the criteria for membership of the Committee.

1.5 The Board may appoint the Committee chairman who shall be an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, 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.

#### **2. SECRETARY**

2.1 The Company secretary or their nominee shall act as the secretary of the Committee.

#### **3. QUORUM AND VOTING**

3.1 The quorum necessary for the transaction of business shall be two members unless there is only one member in which case the quorum shall be one member. 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.

3.2 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

3.3 In the event of an equality of votes the Committee chairman shall have a second or casting vote.

3.4 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting and in the event that there is only one member of the Committee, the chairman of the Company will have a casting vote (unless personally interested in the matter, in which case a second, independent non-executive director will need to be appointed to the Committee).

#### **4. FREQUENCY OF MEETINGS**

The Committee shall meet at least twice a year at appropriate times in the reporting and audit cycle and at such other times as the chairman of the Committee shall require. Meetings may be held by telephone.

#### **5. NOTICE OF MEETINGS**

5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

5.2 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 to each member of the Committee, any other person required to attend, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **6. MINUTES OF MEETINGS**

6.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance.

- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved, to all other members of the Board unless a conflict of interest exists or/and it would be inappropriate to do so.

## **7. ANNUAL GENERAL MEETING**

The Committee chairman shall attend the annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

## **8. DUTIES**

The Committee shall:

- 8.1 carry out the duties below for the subsidiary undertaking and the group as a whole, as appropriate.
- 8.2 determine and agree with the Board the framework or broad policy for the remuneration of the Company's chief executive, chairman, the executive directors, the Company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the chairman of the Company and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- 8.3 in determining such policy, take into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 8.4 review and note down annually and have regard to the remuneration trends across the Company or the group;
- 8.5 within the terms of the Company's articles of association and in consultation with the chairman and/or chief executive, as appropriate, determine the total individual remuneration package of the chairman, each executive director, Company secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards;

- 8.6 obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- 8.7 be exclusively responsible for establishing the selection criteria, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.8 review the introduction of or ongoing appropriateness and relevance of the remuneration policy;
- 8.9 approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 8.10 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used;
- 8.11 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
- 8.12 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;
- 8.13 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code, the AIM Rules for Companies and associated guidance;
- 8.14 oversee any major changes in employee benefits structures throughout the company or group;
- 8.15 agree the policy for authorising claims for expenses from the chief executive and chairman;

8.16 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled.

## **9. REPORTING RESPONSIBILITIES**

9.1.1 The Committee chairman shall report formally to the Board on its proceedings at least once a year on all matters within its duties and responsibilities.

9.1.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.1.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholder for approval at the annual general meeting.

## **10. OTHER**

10.1 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.

The Committee shall:

10.2 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;

10.3 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;

10.4 give due consideration to laws and regulations, the provisions of the Combined Code and any other applicable Rules, as appropriate; and

10.5 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.

**11. AUTHORITY**

11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

11.2 In connection with its duties the Committee is authorised by the Board, at the company's expense:

11.2.1 to obtain any outside legal or other professional advice; and

11.2.2 within any budgetary restraints imposed by the board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.