



ALUFER MINING LIMITED (the “COMPANY”)

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. Composition of the Committee

Members of the Remuneration and Nomination Committee (the “Committee”) shall be appointed by the board of directors (the “board”), in consultation with the Chairman of the Committee. The Committee shall be made up of at least three members, a majority of whom shall be independent non-executive directors. For the avoidance of doubt, the Chairman of the board may be a member and may chair the Committee.

- 1.1 The company secretary or their nominee shall act as the secretary of the Committee.
- 1.2 The quorum necessary for the transaction of business shall be two 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. At any such meeting, decisions will be made by a majority of votes of the members present.
- 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 and external advisers, if appointed and as appropriate, may be invited to attend for all or part of any meeting as and when appropriate.
- 1.4 Appointments to the Committee shall be for an indeterminate period, provided the member in question continues to meet the criteria for membership of the Committee and the majority of the members of the Committee remain independent.
- 1.5 The board shall appoint the Committee Chairman who should be either the Chairman of the board or 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 their number to chair the meeting.

2. Frequency of Meetings

- 2.1 The Committee shall meet at least quarterly and at such other times as the Chairman of the Committee shall require.

3. **Notice of Meetings**

- 3.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.
- 3.2 Unless otherwise agreed, notice of each meeting confirming the venue (which shall be outside the UK), 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 and all other non-executive directors, prior to the date of the meeting and in a timely manner. Supporting papers shall be sent to all Committee members and to other attendees as appropriate, at the same time.

4. **Minutes of Meetings**

- 4.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.2 Minutes of the Remuneration Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the board, unless a conflict of interest exists. For the Nomination Committee meetings, minutes shall be circulated to all members of the Committee and the Chairman of the board.

5. **Annual General Meeting**

- 5.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

6. **Role of the Committee**

The members of the Remuneration Committee shall:

- 6.1 determine and agree with the board the framework or board policy for the remuneration of the Company's Chief Executive, Chairman of the board, the executive directors 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 and the executive directors within the limits of the Company's articles of association. No director or manager shall be involved in any decisions as to their own remuneration;
- 6.2 in determining such policy, take into account all factors which it deems necessary. 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;
- 6.3 appoint any such consultants as is deemed necessary in respect of executive director remuneration. Where executive directors or senior management are

involved in advising or supporting the remuneration committee, care should be taken to recognise and avoid conflicts of interest;

- 6.4 review the ongoing appropriateness and relevance of the remuneration policy;
- 6.5 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;
- 6.6 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 and other senior executives and the performance targets to be used;
- 6.7 determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- 6.8 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;
- 6.9 consult the Chairman and/or Chief Executive Officer about the Committees proposals relating to the remuneration of executive directors and other senior executives;
- 6.10 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. No directors or senior executives shall be involved in decisions as to their own remuneration;
- 6.11 in determining such packages and arrangements, give due regard to any relevant legal requirements and the provisions, recommendations and rules of London Stock Exchange plc;
- 6.12 review and note annually the remuneration trends across the Company or group;
- 6.13 oversee any major changes in employee benefits structures throughout the Company or group;
- 6.14 agree the policy for authorising claims for expenses from the executive and non-executive directors, and the Chairman of the board;
- 6.15 ensure that all provisions regarding disclosure of remuneration including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the UK Corporate Governance Code are fulfilled;

- 6.16 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee. Where remuneration consultants are appointed, a statement should be made available of whether they have any connection with the Company; and
- 6.17 obtain reliable, up-to-date information about remuneration in other companies.

The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

The members of the Nomination Committee shall:

- 6.18 have no personal financial interest, other than as shareholders, in the Committee's decisions; and
- 6.19 have a good understanding, enhanced as necessary by appropriate training or access to expert advice, of the areas of the Committee's business.
- 6.20 regularly review the structure, size and composition (including the skills, knowledge and experience) required of the board compared to its current position and make recommendations to the board with regard to any changes;
 - 6.20.1 prepare a job specification for the appointment of the role of Chairman of the board, including an assessment of the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before appointment and any changes to the chairman's commitments should be reported to the board as they arise;
 - 6.20.2 give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the board in the future;
 - 6.20.3 be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise;
 - 6.20.4 before appointment is made by the board, evaluate the balance of skills, knowledge, independence and experience on the board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

In identifying suitable candidates the Committee shall:

- 6.20.5 use open advertising or the services of external advisers to facilitate the search;
- 6.20.6 consider candidates from a wide range of backgrounds; and

- 6.20.7 consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position
 - 6.20.8 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
 - 6.20.9 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
 - 6.20.10 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
 - 6.20.11 ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
- 6.21 The Nominations Committee shall also make recommendations to the board concerning:
- 6.21.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive (but see 8.21(g) below);
 - 6.21.2 membership of the Audit and Remuneration Committees, in consultation with the Chairmen of those committees;
 - 6.21.3 the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required. A term beyond six years for a non-executive director shall be subject to particularly rigorous review;
 - 6.21.4 the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
 - 6.21.5 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and

6.21.6 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

7 Reporting Responsibilities

- 7.1 The Committee Chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Remuneration 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 shareholders for approval at the Annual General Meeting.
- 7.4 The Nomination Committee shall disclose to the board the Chairman of the board's and the non-executive directors' other significant commitments as well as a broad indication of the time involved in such commitments before appointment. The Committee shall report any changes to such commitments to the board as they arise; the Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

8 Other

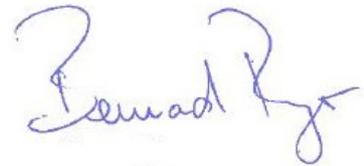
- 8.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.
- 8.2 In carrying out its duties, the Committee shall give due consideration to all relevant laws, regulations and guidance including the UK Corporate Governance Code and any applicable legislation and governance code under Guernsey law.

9 Authority

- 9.1 The Committee is authorised by the board to seek any information it requires in order to perform its duties.
- 9.2 In connection with its duties, the Committee is authorised by the board to obtain, at the Company's expense, any outside legal or other professional advice on any matters within its terms of reference.

10. General

- 10.1 A unanimous written consent of the Committee signed or approved by letter, email or facsimile by each member of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held;
- 10.2 A unanimous written consent of the Committee may be executed in counterparts, all of which shall be considered one and the same consent and shall become effective when signed by all of the members;
- 10.3 A unanimous written consent of the Committee may be executed by facsimile, telecopy or other reproduction, and such execution shall be considered valid, binding and effect for all purposes; and
- 10.4 Prior to admission of the Company's shares to trading on AIM (or any other applicable stock exchange), the Committee shall be entitled to exercise its discretion as to the applicability of any aspect of these terms of reference.

A handwritten signature in blue ink, appearing to read "Bernard Rye".

4 May 2016