

# **Antofagasta plc**

## **Schedule of Matters Reserved for the Board**

### **1. STRATEGY AND MANAGEMENT**

- 1.1 Responsibility for the overall management of Antofagasta plc (the "**Company**") and its subsidiaries (together, the "**Group**").
- 1.2 Approval of the Group's long term objectives and strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations, ensuring:
  - 1.4.1 an adequate system of internal control;
  - 1.4.2 maintenance of adequate accounting and other records; and
  - 1.4.3 compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and, if necessary, ensuring that corrective action is taken.
- 1.6 Any decision to cease to operate all or any material part of the Group's business.
- 1.7 Ensuring that a satisfactory dialogue with shareholders takes place.
- 1.8 Any action which would require the approval of shareholders in general meeting.

### **2. STRUCTURE AND CAPITAL**

- 2.1 Changes relating to the Company's capital structure including reduction of capital, share allotments and issues, and share buy backs.
- 2.2 Any other dealings or disposals of unissued shares in the capital of the Company or rights to subscribe for, or convert any security into, shares in the capital of the Company.
- 2.3 Amendments to any special rights or restrictions attaching to shares in the capital of the Company.
- 2.4 Major changes to the Group's corporate structure.
- 2.5 Changes to the Group's senior management and control structure.
- 2.6 Any changes to the Company's listing or its status as a public limited company.

### **3. FINANCIAL ITEMS**

- 3.1 Approval of the preliminary announcements, annual financial reports, and half-yearly financial reports.
- 3.2 Approval of the annual report and accounts, including the corporate governance statement, the remuneration report and the reserves and resources statements.

- 3.3 Approval of the dividend policy.
- 3.4 Declaration of interim dividends and recommendation of final dividends.
- 3.5 Approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury and hedging policies including foreign currency exposure and the use of financial and commodity derivatives.

#### 4. **INTERNAL CONTROLS**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management.
- 4.2 Determining the nature and extent of principal risks the Group is willing to take in achieving its strategic objectives.
- 4.3 With the assistance of the Audit and Risk Committee, monitoring and reviewing the Group's risk management and internal control systems on an on-going basis, including monitoring material financial, operation and compliance controls.
- 4.4 With the assistance of the Audit and Risk Committee, drawing on the results of the on-going monitoring process to conduct a review at least annually of the effectiveness of the Group's internal control and risk management processes and reporting on that review in the annual report.
- 4.5 With the assistance of the Audit and Risk Committee, appoint and remove the Crime Prevention Officer (*Oficial de Prevención de Delitos*), provide the Crime Prevention Officer with the resources and materials necessary to perform his or her role and to receive a report from the Crime Prevention Officer at least every six months.

#### 5. **CONTRACTS & TRANSACTIONS**

- 5.1 Approval of capital projects and capital expenditures not within the authority delegated to management in the delegations policy approved by the Board from time to time.
- 5.2 Approval of material transactions entered into by the Company or any subsidiary not in the ordinary course of business for example: significant loans and repayments, and major acquisitions or disposals.
- 5.3 Approval of any acquisition of any company, asset or business by the Group which would involve the commencement of an activity of a substantially different nature or character to any activity from time to time carried on by the Group (irrespective of its value).
- 5.4 Approval of the disposal of any mining properties to a third party.

#### 6. **COMMUNICATION**

- 6.1 Convening shareholders' meetings and approval of resolutions and corresponding documentation to be put to shareholders at a general meeting.
- 6.2 Approval of all circulars, prospectuses and listing particulars, and any press releases and stock exchange announcements concerning matters triggered by a decision of the Board.

## 7. **BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

- 7.1 Review of and changes to the structure, size and composition of the Board, following recommendations from the Nomination and Governance Committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.
- 7.3 Selection of the Chairman of the Board and the Chief Executive Officer following recommendations by the Nomination and Governance Committee.
- 7.4 Appointment of the Senior Independent Director.
- 7.5 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.6 Continuation in office of any director at any time, including the suspension or termination by the Group of the service of a director, subject to the law and their service contract.
- 7.7 Appointment or removal of the company secretary.
- 7.8 Recommending the appointment, reappointment or removal of the external auditor to shareholders for approval, following the recommendation of the Audit and Risk Committee.
- 7.9 Approval of appointments to boards of key subsidiaries.

## 8. **REMUNERATION**

- 8.1 Review the policy for the remuneration of the Chairman and other directors prepared by the Remuneration and Talent Management Committee and determine the final form to be presented to shareholders for approval.
- 8.2 Within the terms of the remuneration policy approved by shareholders from time to time, approve the remuneration of directors taking into account the recommendation of the Remuneration and Talent Management Committee.
- 8.3 With the assistance of the Remuneration and Talent Committee, determine the remuneration policy of senior management.
- 8.4 The introduction of new share incentive plans, or major changes to existing plans, to be put to shareholders for approval.

## 9. **DELEGATION OF AUTHORITY**

- 9.1 If applicable, the division of responsibilities between the Chairman, the Chief Executive Officer and any executive directors, which should be in writing.
- 9.2 Establishing committees of the Board and determining their membership and chairmanship.
- 9.3 Determining that at least one member of the Audit and Risk Committee has recent and relevant financial experience.

9.4 Approval of terms of reference of Board committees.

9.5 Receiving reports from Board committees on their activities.

**10. CORPORATE GOVERNANCE MATTERS**

10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.

10.2 Determining the independence of directors.

10.3 Receipt of declarations of interest from Directors.

10.4 Authorising any Director's conflict of interest.

10.5 Receiving reports of the views of the company's shareholders to ensure that they are communicated to the Board as a whole.

10.6 Review of the Group's overall corporate governance arrangements.

**11. POLICIES**

Approval of key corporate policies and significant changes to them.

**12. OTHER**

12.1 The making of political donations other than incidental or indirect donations as a result of corporate hospitality or sponsorship of events, or other usual public affairs activities.

12.2 Prosecution, defence or settlement of significant litigation.

12.3 Issues with major reputational implications.

12.4 Approval of the overall levels of insurance for the Group including Directors' & Officers' liability insurance and indemnification of directors.

12.5 Introduction of any pension scheme, and major changes to the rules, trustees or fund management arrangements of such scheme.

12.6 Introduction of, or major changes to, any employee share schemes or long-term incentive plan, following the recommendation of the Remuneration and Talent Committee.

12.7 This schedule of matters reserved for the Board.

The Board shall be permitted to delegate final approval of a matter contained in this Schedule to a committee of the Board once the Board has made a decision on the matter in principle.

**Adopted on 10 March 2015**