

Antofagasta plc
Remuneration and Talent Management Committee
Terms of Reference
(Revised and adopted on 26 November 2019)

1. The Remuneration and Talent Management Committee shall comprise Independent Non-Executive Directors of the Company, selected by the Board on the recommendation of the Nomination and Governance Committee, and shall consist of no fewer than three members. The Nomination and Governance Committee must from time to time review the composition of the Remuneration and Talent Management Committee. Each Remuneration and Talent Management Committee member shall be appointed for an initial period of up to three years, extendable by no more than two additional periods of up to three years each, provided that the members of the Remuneration and Talent Management Committee remain independent. The Chairman of the Company shall not be a member of the Remuneration and Talent Management Committee.
2. The Board shall appoint the chair of the Remuneration and Talent Management Committee. Before appointment as chair of the Remuneration and Talent Management Committee, the appointee should have served on a remuneration committee for at least 12 months.
3. The secretary to the Remuneration and Talent Management Committee may be selected from time to time from among those present at a meeting, but shall otherwise be the Company Secretary.
4. Meetings of the Remuneration and Talent Management Committee shall be held at least twice a year. Accordingly, the secretary to the Remuneration and Talent Management Committee shall call meetings of the Remuneration and Talent Management Committee at least twice annually and at any other time(s) on request of any member of the Remuneration and Talent Management Committee. The secretary shall circulate the papers for Remuneration and Talent Management Committee meetings in good time before each meeting to allow members of the Remuneration and Talent Management Committee to properly consider their contents.
5. The quorum for meetings of the Remuneration and Talent Management Committee is any two of its members.
6. Individuals other than members of the Remuneration and Talent Management Committee, including officers of the Company's Group, the Vice President of Human Resources and external advisers, should attend meetings when requested by the Remuneration and Talent Management Committee.
7. No committee member shall participate in any decision specifically on their own remuneration.
8. The Remuneration and Talent Management Committee is authorised by the Board to review remuneration paid to directors of other companies of a similar size and complexity in a comparable industry sector.
9. The duties of the Remuneration and Talent Management Committee are:
 - 9.1 to have responsibility for preparing the policy for the remuneration of the Chairman and Directors reflecting the time commitment and responsibility of the role(s), and for setting the policy for the remuneration of the Chief Executive Officer to be presented to the Board for review and subsequently to shareholders for approval;

- 9.2 within the terms of the remuneration policy approved by shareholders from time to time, to determine the remuneration of the Chairman, and to review the remuneration of the other directors and recommend it to the Board for approval;
- 9.3 within the terms of the remuneration policy approved by shareholders from time to time, to review and approve the remuneration of the Chief Executive Officer and determine compensation for the performance-related elements of his pay;
- 9.4 to review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Chief Executive Officer remuneration;
- 9.5 to review the on-going appropriateness and relevance of the remuneration policy;
- 9.6 to recommend, and monitor the compensation strategy of, and the level and structure of remuneration for, the Group's Executive Committee, including General Managers, including performance bonuses, benefits and long-term incentive plans;
- 9.7 to approve the remuneration of the Group's Executive Committee, including General Managers, and the Company Secretary, upon the recommendation of the Chief Executive Officer;
- 9.8 to ensure that remuneration policies and practices are designed to support strategy and promote long-term sustainable success; in particular, to ensure that remuneration is aligned to company purpose and values, and be clearly linked to the successful delivery of the Company's long-term strategy;
- 9.9 to approve the participation of employees in the Group's long-term incentive plans;
- 9.10 to develop a formal policy for shareholding requirements;
- 9.11 to ensure that remuneration schemes and policies enable the use of discretion to override formulaic outcomes and consider, if appropriate, provisions that enable the Company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so;
- 9.12 to review, monitor and recommend the talent management strategy for the Group's Executive Committee, including General Managers, including succession plans for them;
- 9.13 to recommend any major changes in compensation policies applying across the Group's companies that can have a significant long-term impact on labour costs;
- 9.14 to oversee any major changes in employee compensation structures throughout the Group;
- 9.15 to review and approve ex gratia, one-off or bonus payments to be made to members of the Group's Executive Committee, including General Managers, that are not within the scope of compensation structures that have previously been reviewed by the Committee;
- 9.16 to review ex gratia, one-off or bonus payments made to staff across the Group's companies that are not included in the Company's budgets and are within the discretionary allowances of the Chief Executive Officer and to approve any such bonus payments that not within the discretionary allowances of the Chief Executive Officer;

- 9.17 to be exclusively responsible for establishing the selection criteria for any remuneration consultants who advise the Remuneration and Talent Management Committee;
 - 9.18 to procure from management or independent consultants, up to date information about remuneration in other companies;
 - 9.19 to approve the creation of new positions within the Group that report directly to the Chief Executive Officer;
 - 9.20 to review, where appropriate, candidates put forward by the Chief Executive Officer to fill direct report vacancies;
 - 9.21 to ensure that contractual terms on termination of directors, the Chief Executive Officer and members of the Group's Executive Committee, including General Managers, 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;
 - 9.22 to review the policy for executive expenses;
 - 9.23 to consider and review the risk implications of the design, implementation and operation of remuneration arrangements across the Company's group and undertake an annual review to confirm that the group's remuneration policies and practices remain compatible with its risk policies and systems;
 - 9.24 working with the Chief Executive Officer and the Vice President of Human Resources, to take an active role in overseeing diversity objectives and strategies for the Group, and in monitoring the impact of diversity initiatives;
 - 9.25 to assist the chair of the Remuneration and Talent Management Committee in maintaining contact with the Company's principal shareholders about remuneration matters;
 - 9.26 to comply with the principles and provisions of the UK Corporate Governance Code as amended from time to time and other legal and regulatory requirements on directors' remuneration; and
 - 9.27 to consider other matters as referred to the Remuneration and Talent Management Committee by the Board.
10. The duties of the chair of the Remuneration and Talent Management Committee are:
- 10.1 to approve collective bargaining negotiation limits for the Group;
 - 10.2 report to the Board after each meeting on the matters within the competence of the Remuneration and Talent Management Committee; and
 - 10.3 to attend the Company's annual general meeting to answer any shareholder questions on the committee's activities.
11. The Remuneration and Talent Management Committee shall consult the Chairman (subject to managing any conflict of interest) and/or consultants or advisers about proposals relating to the remuneration of directors and of the Chief Executive Officer. If consultants are appointed, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or any Directors.

12. The Remuneration and Talent Management Committee shall produce an annual report about its activities which will form a separate section of the Company's annual report. This report shall include all information requirements set out in the UK Corporate Governance Code (as amended from time to time).
13. The Remuneration and Talent Management Committee shall ensure that provisions regarding disclosure of information as set out in the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, the UK Corporate Governance Code (as amended from time to time) are fulfilled and produce a report on 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.
14. The Remuneration and Talent Management Committee should, through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.
15. The Remuneration and Talent Management Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference (including from remuneration consultants).
16. The Remuneration and Talent Management Committee shall review its own performance, composition, constitution and terms of reference at least annually, and recommend any changes to the Board.
17. The minutes of any meetings of the Remuneration and Talent Management Committee, to be taken by the secretary, should be circulated to all members of the Board (excluding such members of the Board who have a conflict of interest in respect of the matters covered by the minutes).