

ANTOFAGASTA PLC

Responsibilities of the Chairman, the Senior Independent Director and the Chief Executive Officer

This paper, which has been approved by the Board of the Company, summarises the responsibilities of the Chairman, the Senior Independent Director and the Chief Executive Officer in compliance with UK Corporate Governance Code.

Although the Board agrees with the approach set out in the UK Corporate Governance Code, it recognises that overly prescribing the responsibilities of the Chairman and the Chief Executive Officer in particular, may reduce their flexibility to act in unforeseen circumstances. Accordingly, although this paper sets out a clear division of responsibilities, it is not intended to provide a definitive list of the individual responsibilities of the Chairman, the Senior Independent Director or the Chief Executive Officer.

1. PRINCIPLES

- 1.1 The non-executive Chairman is responsible for leadership of the Board and for ensuring its overall effectiveness in directing the Company, and for promoting the highest standards of integrity, probity and corporate governance.
- 1.2 The Senior Independent Director provides a sounding board for the Chairman, serves as an intermediary for the other Directors and shareholders and supports the Chairman in the delivery of his objectives.
- 1.3 The Chief Executive Officer leads the team with executive responsibility for running the Group's businesses. The Chief Executive Officer is not a member of the Board but is usually invited to join Board meetings.

2. RESPONSIBILITIES OF THE CHAIRMAN

2.1 Board Meetings

- 2.1.1 Chairing Board meetings.
- 2.1.2 Demonstrating independent judgement.
- 2.1.3 Promoting a culture of openness and debate within the Board by facilitating constructive Board relations and the effective contribution of all Directors.
- 2.1.4 Shaping the culture in Board meetings.
- 2.1.5 Setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items. Ensuring that Board agendas have a focus on strategy, performance, value creation, culture, stakeholders and accountability.
- 2.1.6 Holding meetings with the Directors without management present in order to facilitate a full and frank airing of views.
- 2.1.7 Ensuring that Directors receive accurate, timely, high-quality and clear information on the basis of which they can make sound decisions.

2.2 Development, Induction and Performance Evaluation

- 2.2.1 Reviewing and agreeing, with each Director, his or her training and development, and ensuring that all Directors continually update their skills and knowledge and familiarity with the Group so as to enable each of them to fulfil his or her role on the Board and its Committees and to discharge his or her statutory duties.
- 2.2.2 Ensuring that new directors participate in a full, formal and tailored induction programme.
- 2.2.3 Providing guidance and mentoring to new Directors.
- 2.2.4 Selecting an appropriate approach for the Board evaluation process, involving the Senior Independent Director, as appropriate.
- 2.2.5 Managing the process of any external Board evaluation.
- 2.2.6 Sharing the outcome of the Board evaluation with the Board for discussion.
- 2.2.7 Ensuring any necessary action is taken on the results of the annual performance evaluation of the performance of the Board, its Committees and the individual Directors.
- 2.2.8 Summarising the outcomes and actions of the Board evaluation process in the annual report.
- 2.2.9 Reporting on board leadership and effectiveness in the annual report.

2.3 Relations with Shareholders

- 2.3.1 Chairing shareholder meetings.
- 2.3.2 Arranging for all Directors to attend and for the chairmen of the Board Committees to be available to answer questions at the AGM.
- 2.3.3 Seeking regular engagement with major shareholders in order to understand their views on governance and performance against the Company's strategy.
- 2.3.4 Ensuring that Board listens to the views of shareholders, the workforce, customers and other key stakeholders.

3. RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR

3.1 Board

- 3.1.1 At least annually and on such other occasions as are deemed appropriate, leading meetings with the Directors without the Chairman present to appraise the Chairman's performance, taking into account the views of the Executive Committee and the Chief Executive Officer.

- 3.1.2 When applicable, supporting the Nomination and Governance Committee in ensuring an orderly succession process for the Chairman.
- 3.1.3 Ensuring that the views of all Directors are conveyed to the Chairman.
- 3.1.4 Chairing meetings of the Board in the absence of the Chairman.

3.2 Shareholders

- 3.2.1 Attending sufficient meetings with a range of major shareholders to develop a balanced understanding of their issues and concerns.
- 3.2.2 Passing on the views (and especially concerns) of shareholders to the other Directors.
- 3.2.3 Being available to shareholders if they have concerns which have not been resolved through the normal channels of the Chairman or the Chief Executive Officer, or for which such contact is inappropriate.

3.3 Other

- 3.3.1 Working with the Chairman, the other Directors, and/or the Company's shareholders (as necessary) to resolve any significant issues that may arise.
- 3.3.2 Maintaining stability and cohesion within the Board and the Company, particularly during periods of stress; for example intervening if there is a disagreement between the Chairman and the Chief Executive Officer; if the strategy being proposed by the Chairman and the Chief Executive Officer is not supported by the entire Board; if decisions are being made without the approval of the full Board; or if succession planning is being ignored.
- 3.3.3 Chairing any committee of Directors formed in connection with a potential transaction outside the ordinary course of business between the Group and the Company's controlling shareholder or its associates.

4. RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

4.1 Business and Strategy

- 4.1.1 Working closely with the Chairman and the Board to propose, develop and implement the Company's strategy and overall commercial objectives.
- 4.1.2 Leading, overseeing and managing all business activities, operations and performance of the Group within the authority delegated by the Board.
- 4.1.3 Leading the senior management team of the Group in the day-to-day running of the Group's business.
- 4.1.4 Regularly reviewing the Group's operational performance and strategic direction.

- 4.1.5 Evaluating opportunities for growth through acquisitions, or consolidation through restructurings or divestitures, either identified internally or brought to the Group.
- 4.1.6 Reviewing and managing cost control and operating efficiencies throughout the Group.
- 4.1.7 Recommending the annual budget and financial plans for the Group.
- 4.1.8 Working closely with the senior management team to ensure the development of employees and the maintenance of talent management and succession plans for employees.

4.2 Communication with the Board, Shareholders and the Workforce

- 4.2.1 Attending Board meetings to report to the Board on matters affecting the Group.
- 4.2.2 Maintaining a dialogue with the Chairman and the Board on important and strategic issues facing the Group, and proposing Board meeting agenda items to the Chairman that reflect these issues. Alerting the Chairman to forthcoming complex, contentious or sensitive issues affecting the Group.
- 4.2.3 Supporting the Chairman to make certain that appropriate standards of governance permeate through all parts of the Group.
- 4.2.4 Ensuring that that the Board knows the views of senior management on business issues and ensuring that the senior management team gives appropriate priority to providing reports to the Board which contain accurate, timely and clear information.
- 4.2.5 Leading the investor relations programme, and ensuring that the Board is made aware of shareholders' views on relevant issues.
- 4.2.6 Providing a structure for timely and accurate disclosure of information, including an escalation route for key issues as they arise.
- 4.2.7 Setting an example to the workforce, communicating to them the Company's expectation in respect of the Company's culture and ensuring the operational policies and practices drive appropriate behaviour.
- 4.2.8 Ensuring that the Board is made aware of views gathered via engagement between management and the workforce.

4.3 Risk Management and Governance

- 4.3.1 Overseeing safety management processes, including the system for reporting incidents and safety training programmes.
- 4.3.2 Monitoring and maintaining high standards of corporate governance.

- 4.3.3 Leading by personal example and conducting the affairs of the Group with the highest standards of integrity and having regard to the Group's responsibilities. Safeguarding the reputation of the Group.
- 4.3.4 Managing the Group's risk profile in line with the extent and categories of risk identified as acceptable by the Board and the Audit and Risk Committee.

Approved by the Board on 26 November 2019.