2023 Directors' and CEO's Remuneration Policy

The Committee presents the 2023 Directors' and CEO's Remuneration Policy, which will be put to a binding vote of shareholders at the Company's 2023 Annual General Meeting.

Subject to shareholder approval, this 2023 Policy will take effect from the 2023 AGM and is intended to apply until the 2026 AGM. The new 2023 Policy will supersede the remuneration 2020 policy approved by shareholders at the 2020 AGM. Once the 2023 Policy is approved, the Company will only make remuneration payments to Directors and the CEO, or payments for loss of office, if the payment is in line with the 2023 Policy. If the Committee wishes to change the 2023 Policy, it will submit a revised policy for shareholders approval.

Policy scope

This year there has been no change to the composition of the Board of Directors, which continues to comprise only Non-Executive Directors. The Board has considered the pros and cons of having executives on the Board and continues to believe that the existing structure is effective in ensuring that the Board maintains objectivity and independence from management. In addition, the structure is appropriate since the CEO, Executive Committee and most senior managers are based in Chile, where Company law prohibits the CEOs of public companies from serving as directors of those companies.

The Company's policy is to ensure that the fees and remuneration of the Directors and the CEO reflect the responsibilities undertaken and to consider comparable remuneration packages and structures in the international mining industry, in the UK and Chile. The 2023 Policy being tabled for shareholder approval is consistent with the previous 2020 Policy and remuneration practices already in place. The Committee considers that the Company's approach to remuneration for the CEO and Non-Executive Directors is not only aligned with the Company's strategy but is effective and well understood.

Policy table for the CEO

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary			
To retain and attract high-calibre executives by offering globally competitive salary levels.	Typically, base salaries are reviewed annually. Base salaries and any increases take into account: • the individual's role, performance and experience, • the Company's performance, the external environment and cost, • salary increases for the wider workforce, and • salary levels for comparable roles at relevant comparator companies.	There is no prescribed maximum, although salary increases consider those of the wider workforce. Chilean labour contracts are adjusted periodically to reflect Chilean inflation, and adjustments may also be made due to union labour negotiations. In addition to the salary increases already mentioned, there may be additional increases when the Committee considers it appropriate, including (but not limited to): • Significant increase in the scale, market comparability or responsibilities of the role, and • Individuals appointed on a salary lower than market levels, where increases above those of the wider workforce may be made to recognise experience gained and performance in the role. Such increases will be explained in the relevant Annual Report.	Individual and mining division performance is considered when determining base salaries and increases.
Benefits			
To provide market competitive benefits.	Benefits typically include life and health insurance. Other benefits may be offered where appropriate, including, but not limited to, car allowance, pension contribution, professional fees and relocation allowances.	Benefits are reviewed periodically. There is no maximum overall.	None

/ 2023 Directors' and CEO's Remuneration Policy *continued*

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual Bonus Plan			
To focus on delivering annual financial and non-financial targets designed to align remuneration with the Company's strategy and to create a platform for future sustainable performance.	The bonus is earned based on achieving one-year performance targets. It is paid in cash.	Maximum of 200% of salary	The bonus is based on financial, operational, strategic and individual measures. Performance measures and weightings are reviewed annually to ensure they continue to reflect the Company's strategic priorities. At least 50% of the bonus will be based on the Mining division's financial, operational and strategic performance. Other metrics include, but are not limited to, business development, organisational capabilities, sustainability and safety. In addition, an automatic adjustment applies to the Mining division's performance score under the Annual Bonus Plan, downwards if there is a fatality during the year and upwards if there is no fatality. This further aligns the Mining division's incentives with the core value of safety and our goal of zero fatalities. The Committee will consider whether this should continue to apply annually, considering the Mining division's safety culture and performance. The Annual Bonus starts accruing at 'threshold' performance (0% pay-out), with a pay-out of 50% of the 'maximum' when 'on-target' performance is achieved. The Committee retains the discretion to adjust bonus outcomes to ensure they reflect underlying business performance, the impact of the commodity price and any other relevant factors.
Long-Term Incentive Plan (LTIP)			
To align with the shareholders' experience and focus on long-term, sustainable performance.	Awards under the LTIP will typically comprise: • Performance Awards – performance is measured over a three-year period with vesting thereafter, comprising at least 70% of the total LTIP awards. • Restricted Awards – vest one-third each year over a three-year period, comprising a maximum of 30% of the total LTIP awards. Awards will usually be made in the form of a conditional right to receive a cash payment by reference to the value of a specified number of the Company's shares. Malus may be applied in exceptional circumstances, as detailed in the notes to this table.	Maximum of 200% of salary, increased to 325% in exceptional circumstances.	Performance Awards will be based on a combination of shareholder's return and strategic performance measures aligned with the business priorities. The targets, measures and weightings are determined by the Committee annually. The shareholder return measures are at least 50% of the Performance Awards. Performance Awards begin vesting at 'threshold' performance, with the amount depending on the performance metric. This level is intended across all metrics to be 0% at the threshold and an aggregate average of approximately 50% of the maximum at 'on-target' performance. No performance conditions usually apply to Restricted Awards. The Committee retains the discretion to adjust payments to ensure they reflect underlying business performance, the impact of the commodity price and any other relevant factors.

Notes to the Policy table

Benefits

Employees, including the CEO, are encouraged to save for their pension, and the Company facilitates a savings plan to which employees contribute. For several employees, excluding the CEO, the Company makes a matching contribution to a pension plan up to a maximum amount. The Company makes no contributions to the CEO's pension.

Operation of incentive plans

The incentive plans are run in line with the Policy and the relevant plan's rules, subject to several areas over which the Committee retains flexibility as detailed below:

- Who participates in each plan.
- The timing and size of an award and/or payment are subject to Policy limits.
- The performance measures, weightings and targets that apply each year and any adjustments thereof.
- The treatment of awards in the event of a change of control, restructuring or other corporate events.
- Treatment of leavers.
- Amendments to a plan's rules in accordance with its terms.

In the case of the CEO, any use of discretion by the Committee will be disclosed in the following annual report and may be subject to consultation with the Company's shareholders.

The Company reserves the right to make payments under the incentive plans to some or all participants in shares rather than cash if the regulations and practice change in Chile to allow payment in shares without adverse additional costs, administrative burden or tax consequences. The latter is seen as a beneficial practice by the Committee. Any further changes will be disclosed in the following annual report and shareholder approval will be sought if required for the proposal in question.

Performance measures and targets

Awards under the Annual Bonus Plan and a significant proportion of the awards under the LTIP are subject to financial and non-financial performance metrics determined annually by the Committee. The Committee reviews the appropriate business plans over the short, median and long-term and sets appropriate targets with a range of achievement to align with the corporate goals and strategy.

The financial metrics align participants with the Group's strategy and long-term sustainable shareholder value creation.

The non-financial metrics measure the development of key projects and exploration activities essential for future mining activities. Other metrics may relate to safety and health, people, environmental and social targets, which ensure that all employees act in a way that preserves or creates social value and considers the interests of all the Group's stakeholders.

Restricted Awards are not subject to performance conditions; given market conditions in Chile, it is appropriate for part of the variable remuneration to be subject only to a time condition and continued employment.

Malus and clawback

Malus provisions apply in exceptional circumstances, including:

- Actions by a participant that, in the reasonable opinion of the Committee, amount to gross misconduct that have or may have a material effect on the value or reputation of the Company or any of its subsidiaries.
- A materially adverse error in the consolidated financial statements of the Group during the performance period.
- Any reasonable circumstances that the Committee determines in good faith to have resulted in an unfair benefit to the participant.

Clawback has not been introduced as such arrangements are not legally enforceable in Chile.

Legacy arrangements

During the term of this 2023 Policy, any payments may be made to satisfy commitments made or undertaken in respect of any LTIP award (Performance Award or Restricted Award) granted under a previous policy or payments made to meet legacy arrangements agreed upon prior to (but not in anticipation of) an employee (and not in contemplation of) being promoted to the position of CEO or the Board of Directors. All such outstanding obligations may be honoured, and payment will be permitted under the 2023 Policy.

Minor amendments

The Committee may make minor amendments to the 2023 Policy (for example, taxes, regulatory, exchange rate or administrative purposes) without obtaining shareholder approval.

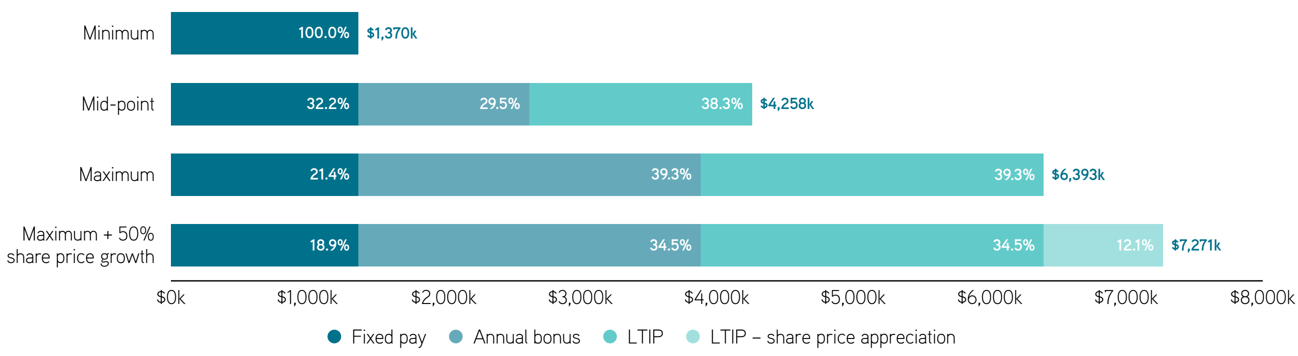
The difference in CEO and employee remuneration policy

Apart from participation in the LTIP, which is limited to the Executive Committee and certain senior employees, there are no main differences between the 2023 Policy and the general remuneration policy for employees.

Illustrations of the application of the Policy

The graph below illustrates estimates of the potential remuneration opportunity for the CEO under three different performance scenarios: 'Minimum'. 'Mid-point', and 'Maximum'. In line with the reporting regulations, a scenario assuming 50% share price growth over the three-year performance period is also shown below (for the maximum performance scenario). The assumptions used for these charts are set out in the table below.

CEO total remuneration



Minimum performance	• Fixed remuneration (salary and benefits) only. • No pay-out under the Annual Bonus or LTI performance awards.
Mid-point performance	• Fixed remuneration. • Fifty percent (50%) of the maximum pay-out under the Annual Bonus Plan. • Under the LTIP, vesting is 50% of Performance Awards and 100% of Restricted Awards.
Maximum performance	• Fixed remuneration. • 100% of the maximum pay-out under the Annual Bonus Plan. • Maximum vesting under the LTIP: 100% of Performance Awards and 100% of Restricted Awards.
Maximum performance + 50% share price growth	• Fixed remuneration. • 100% of the maximum pay-out under the Annual Bonus Plan. • Maximum vesting under the LTIP: 100% of Performance Awards, 100% of Restricted Awards and a 50% increase in the share price over the three-year performance period.

Other than for the scenario 'Maximum performance + 50% share price growth', no increase in the share price has been assumed in the graph above. Also, no dividend assumptions have been included in the charts above.

Letters of appointment

All Directors' letters of appointment are available for inspection at the Company's registered office during regular business hours and at the Annual General Meeting (for 15 minutes before and during the meeting).

CEO

Mr Iván Arriagada is employed under a contract of employment with Antofagasta Minerals SA (AMSA), a subsidiary of the Company. His work contract is governed by Chilean labour law. It does not have a fixed term and can be terminated by either party on six months' notice in writing. Any payment for termination or loss of office is provided in the table below.

Under his employment contract, Mr Arriagada is entitled to 25 working days of paid holidays per year.

As Mr Arriagada's salary is paid in Chilean pesos and is adjusted quarterly for inflation, at the end of the year, a further adjustment is made if the US dollar/Chilean peso exchange rate has increased by more than 5% to maintain international competitiveness.

Chairman and Non-Executive Directors

Each Non-Executive Director has a letter of appointment from the Company and from AMSA. The Company has a policy of putting all Directors forward for re-election at each AGM, in accordance with the UK Corporate Governance Code. Under the terms of the letters, if a majority of shareholders do not confirm a Director's appointment, the appointment will terminate immediately. In other circumstances, either party may terminate the position on one month's written notice. The letters require the Directors to undertake that they have sufficient time to discharge their responsibilities.

There is a contract between Antofagasta Minerals and Asesorías Ramón F, Jara Ltda, dated 2 November 2004, for the provision of advisory services by Ramón Jara. This contract has no expiry date but may be terminated by either party on one month's notice.

No other Director is a party to a service contract with the Group.

Policy on payments for loss of office

If the Company terminates the CEO's employment contract for reasons not attributable to the CEO, six months' written notice must be given unless the Company pays compensation in lieu of notice.

If the CEO resigns, he must give at least six months' written notice.

In both cases, if the CEO's employment contract terminates for reasons not attributable to the CEO or CEO's resignation, if requested, the CEO will work with the Committee to appoint a suitable successor and ensure a smooth transition of responsibilities as well as providing mentoring. If the transfer is completed successfully, the CEO will receive an additional payment equal to six months' base salary.

If the Company terminates the CEO's employment contract within two years of a specific corporate event, for reasons not attributable to the CEO, or if the CEO's role or function has been changed without prior agreement within two years of a specific corporate event, the CEO shall be entitled to an additional payment equal to 12 months' base salary.

The treatment of any outstanding incentive awards will be determined based according to each plan's rules, as summarised in the table below:

Annual bonus	Employees who complete at least six months of service in a financial year are entitled to be considered for a bonus subject to the applicable performance targets having been met. Any payment will usually be pro-rated for the period of employment, although the Committee has the discretion to decide otherwise. If the employee's period of employment is less than six months, they will not usually be entitled to be considered for a bonus. However, the Committee has the discretion to decide otherwise.
LTIP	The default position is that any outstanding Performance Awards or Restricted Awards will be forfeited on cessation of employment except if an individual is considered a good leaver e.g. their employment ends due to their death, redundancy, ill health injury or disability, an unexpected event or force majeure, or other reason at the discretion of the Committee. In respect of dismissal by the Company's decision, or the employee's resignation with at least six months' notice, they will be entitled to receive payment of any outstanding Restricted Awards and it will be pro-rated to the time served. Performance Awards will usually vest based on the satisfaction of the relevant performance targets (if applicable) and will be pro-rated to the time served. However, the Committee has the discretion to decide otherwise.
Corporate event or change of control	In the event of a change of control or winding up of the Company, LTIP awards will vest subject to the extent the performance targets have been satisfied (if applicable) and will be pro-rated for the period of the award elapsed, unless the Committee decides otherwise. In the event of an internal reorganisation, LTIP awards may (with the consent of the acquiring entity) be replaced by equivalent awards. Alternatively, the Committee may decide that the LTIP awards will vest as in the case of a change of control, as described above. In the event of a demerger, special dividend or other corporate event that will materially impact the share price, the Committee may, at its discretion, allow LTIP awards to vest on the same basis as in the case of a change of control, as described above.

The Committee reserves the right to make other payments regarding the termination of the CEO's employment. Any such payments may include paying reasonable fees for outplacement assistance and legal or professional advice.

The letters of appointment for the Non-Executive Directors do not provide any compensation for loss of office beyond payments in lieu of notice; therefore, the maximum amount payable upon termination of these letters is limited to one month's fees.

Changes to the policy

As highlighted in the at a glance section the only changes proposed are in relation to our CEO's employment contract regarding notice periods and termination payments in order to ensure that the contract remains aligned with industry and international market practices. These changes have been made to ensure that our contractual provisions safeguard our talent, allow time for succession planning, if needed, and reflect industry practices and international market expectations.

Element	Previous 2020 Policy	Change
Notice period	30 days' notice	6 months' notice
Succession planning payment	No provision in 2020 Policy	6 months of base salary for a successful handover and mentoring of new CEO for any future succession
Termination payment in corporate Change in Control	No provision in 2020 Policy	12 months of base salary payment in respect of a corporate change of control event, if Company terminates CEO's employment within 2 years of change in control.

Policy on recruitment

When determining remuneration, the Committee will consider the new CEO's role, experience, and other factors such as relevant market data and internal comparisons. The Committee strives to pay competitively, but no more than necessary to attract the right talent. On appointment, the CEO's remuneration will generally align with the 2023 Policy, and the maximum aggregate value of incentives (excluding buyouts) will not exceed the 2023 Policy's defined maximum limits. The recruitment approach is outlined below:

Element	Policy and operation
Base salary	Base salary will be determined based on the individual's role and responsibilities, experience and skills, relevant market data and internal comparisons. The starting base salary may be set below the prevailing market rate, but with the expectation of higher-than-usual increases as the individual gains experience and performs in the role.
Benefits	Benefits in line with the 2023 Policy, including relocation benefits if appropriate.
Annual bonus	The structure described in the 2023 Policy table will generally apply for new appointees, with maximums typically pro-rated to reflect service during the year. For the first year of appointment, the Committee may determine that the annual bonus may be subject to modified terms considered appropriate in the context of the recruitment.
LTIP	LTIP awards will be on the same terms as described in the 2023 Policy table. However, the Committee has the discretion to make changes in the first year of employment, including to the performance measures applied. Any change will be fully disclosed in the next Annual Report.
Buyout awards	The Committee recognises that it may be necessary, in certain circumstances, to provide compensation for amounts forfeited from a previous employer. Generally, any buyout awards will be made on a like-for-like basis in terms of commercial value, form, application of performance conditions and timing of receipt to ensure they reflect the incentives they are replacing.

The approach towards an internal promotion will be consistent with the 2023 Policy outlined above. The Company will honour these legacy arrangements if an individual has contractual commitments or outstanding awards before their promotion.

For interim positions, a cash supplement rather than a salary may be paid (for example, if a Non-Executive Director took on an executive function on a short-term basis).

On the appointment of a new Non-Executive Director or Chairman, their remuneration will be in line with the 2023 Policy summary below.

Chairman and Non-Executive Directors Remuneration 2023 Policy Summary

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fees To attract and retain high calibre, experienced Directors by offering globally competitive fee levels.	The Chairman receives an annual base fee. Non-Executive Directors receive an annual base fee. Directors may receive further fees for serving as the Senior Independent Director, a Board Committee Chair or a Committee member. Separate base fees are paid for serving on the Antofagasta Minerals Board or as a Director or chair of any subsidiary or joint-venture Company. Ramón Jara also receives a base fee (adjusted for Chilean inflation) for advisory services provided to Antofagasta Minerals pursuant to his service agreement. Fees are subject to review, which will take into account time commitment, responsibilities and market practice.	Total fees paid will be within the limit stated in the Company's Articles of Association. Changes may be made to Chilean-peso-denominated fees to adjust for Chilean inflation.	None
Benefits To provide appropriate benefits and reimburse appropriate expenses that Directors incur in the performance of their duties.	Non-Executive Directors are entitled to reimbursement for reasonable expenses incurred during the performance of their duties, including any tax due on the reimbursements. Benefits may include the provision of life, accident and health insurance, professional advice and other minor benefits, including occasional spousal travel in connection with the business.	Benefits are set at a level appropriate to the individual's role and circumstances. The maximum will depend on the type of benefit and cost of its provision.	None

In line with the UK Corporate Governance Code, Non-Executive Directors do not participate in incentives, share schemes, or receive a pension provision.

Consideration of employment conditions elsewhere in the Group

When the Committee reviews the remuneration of the Directors and CEO, it considers pay conditions across the Mining division. This is done in the context of different working environments and geographies and therefore is not a mechanical process. The Committee does not currently use any other remuneration comparison metrics when determining the quantum and structure of Director remuneration. The Directors' and CEO's Remuneration Policy is well understood by employees and employees know that the CEO's remuneration policy is substantially similar to their own. The Chair of the Remuneration and Talent Management Committee has not therefore explained this to employees.

The Committee considers employee pay practices and experiences at each meeting to ensure Antofagasta remains a world-class employer, attracting and retaining the best mining talent.

Consideration of shareholder views

The Company maintains a dialogue with institutional shareholders, sell-side analysts, and potential shareholders. The Investor Relations team manages this communication, which includes announcements and a formal programme of presentations to update institutional shareholders and analysts on developments in the Group during the year.

In addition, as part of the review of Director and CEO remuneration ahead of a new 2023 Policy being tabled for approval at the 2023 AGM, a series of meetings was held with top shareholders and proxy agencies in December 2022. These meetings were led by the Chair of the Remuneration and Talent Management Committee, who afterwards briefed the Committee on the feedback she received. The latter was taken into account when determining the final 2023 Policy to be approved by shareholders.