

Antofagasta plc
Remuneration and Talent Management Committee
Terms of Reference
(Revised and adopted on 21 June 2016)

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. The Chairman of the Company shall not be a member of the Remuneration and Talent Management Committee.
2. The chairman of the Remuneration and Talent Management Committee must be appointed by the Board.
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 Secretary to the Board.
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 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, 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 to review the on-going appropriateness and relevance of the remuneration policy;
- 9.4 to recommend, and monitor the compensation strategy of, and the level and structure of remuneration for, the Group's Chief Executive Officer and the Group's Senior Management (Vice Presidents and General Managers), including performance bonuses, benefits and long-term incentive plans;
- 9.5 to review and approve the remuneration of the Chief Executive Officer and determine compensation for the performance-related elements of his pay;
- 9.6 to approve the remuneration of the Group's Senior Management upon the recommendation of the Chief Executive Officer;
- 9.7 to approve the participation of employees in the Group's long-term incentive plans;
- 9.8 to review, monitor and recommend the talent management strategy for the Group's Senior Management including succession plans for them;
- 9.9 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;
- 9.10 to review and approve ex gratia, one-off or bonus payments to be made to Senior Management that are not within the scope of compensation structures that have previously been reviewed by the Committee;
- 9.11 to review and approve 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 not within the discretionary allowances of the Chief Executive Officer;
- 9.12 to approve the creation of new positions within the Group that report directly to the Chief Executive Officer;
- 9.13 to review, where appropriate, candidates put forward by the Chief Executive Officer to fill direct report vacancies;
- 9.14 to ensure that contractual terms on termination of directors and Senior Management, 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;
- 9.15 to review and approve the policy for executive expenses;
- 9.16 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;
- 9.17 to assist the chairman of the Remuneration and Talent Management Committee in maintaining contact with the Company's principal shareholders about remuneration matters;

- 9.18 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
- 9.19 to consider other matters as referred to the Remuneration and Talent Management Committee by the Board.
10. 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.
11. The Remuneration and Talent Management Committee chairman must report to the Board after each meeting on the matters within the competence of the Remuneration and Talent Management Committee.
12. 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 and 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.
13. 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.
14. The Remuneration and Talent Management Committee chairman should attend the Company's annual general meeting to answer any shareholder questions on the committee's activities.
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).