

## **Remuneration Committee – Composition and Terms of Reference.**

**Last updated 11 August 2022**

Following the move on 8 April 2022 from the main board to AIM the format and content of remuneration reporting has changed from that in use last year. The committee has adopted the QCA Corporate Governance Code (the Code).

The remuneration committee comprised Howard Miller until 18 January 2022 when John Kearney and Namrata Verma were appointed making three members from that point forwards. No remuneration consultants have been engaged or are considered appropriate at this stage of the group's development.

### **Directors' remuneration policy**

The policy of the remuneration committee with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre and with the experience required and be consistent with the ability to pay.

We aim to provide a competitive salary and benefits package to employees and executive directors with an appropriate balance between fixed and performance-related elements. The committee is implementing an annual review of remuneration arrangements however due to the changes which are currently being made this has not been carried out in the during the period under review.

Although the board intended the grant of share options to form part of overall director remuneration, the implementation of this policy and grant of share options has been delayed and did not occur until 4 August 2022. The committee recognises that under the Code share options should not be granted to non-executive directors, however no revenue or income is generated at present so the use of equity incentives in the form of share option grants, is one of the few economically effective ways available to provide remuneration to the directors; further it is aligned to the long-term interests of shareholders. The remuneration committee takes into account any views expressed by shareholders when considering remuneration policy and practices.

### **Performance incentives**

It is the Remuneration Committee's expectation that further share options will be issued in the current year at the board's discretion to the directors and to the Chief Executive under the terms of his employment and subject to achieving defined goals.

The use of traditional performance standards in other industries, such as profitability, is not considered to be appropriate in the evaluation of executive performance in a mineral exploration and development company with no sales or revenue on which to generate income. When approving executive compensation levels, the Committee and the Board consider the financial situation of the Group in a wider context regarding the outlook for the industry and the ongoing development of the Parys Mountain project. It is expected that in future years that the use of equity grants, stock appreciation rights, and or the deferred equity schemes may also form part of the incentive portion of the remuneration of executive directors.

There is currently no formal incentive bonus plan in place. Any award of a bonus to executive directors is at the discretion of the board based upon recommendation by the Remuneration Committee. In considering the payment of a bonus to any executive directors, the Committee would take into account the individual performance and efforts of the executive, the progress made by the Group in furthering its business plans and the overall financial position.