

## Hochschild Mining PLC

### Description of Chairman's Role and Responsibilities

#### **PURPOSE**

The Chairman is responsible for ensuring that the board of Hochschild is effective in setting and implementing the group's direction and strategy and to act as the Company's leading representative.

#### **REPORTING LINE**

The Chairman is responsible to the shareholders and he reports to the board.

#### **AREAS OF RESPONSIBILITY**

##### **1. Leadership**

- 1.1 To lead the board, ensuring its overall effectiveness in all aspects of its role
- 1.2 Ensuring that the Board as a whole is enabled to play a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives
- 1.3 To take the chair at general meetings and board meetings
- 1.4 To represent the Company at the highest level
- 1.5 To foster good relations amongst board members
- 1.6 To ensure that a formal schedule of matters is specifically reserved for the decision of the board
- 1.7 To represent the Company to the City, government, regulatory authorities, the media, shareholders and the general public
- 1.8 To ensure that succession plans and composition of the Board are regularly reviewed

##### **2. Meetings**

- 2.1 To plan a schedule, set agendas and conduct board meetings effectively, with the support of the Company Secretary. The agenda for board meetings should take full account of the issues and concerns of all board members and sufficient time should be allowed for discussion of complex or contentious issues.
- 2.2 To ensure that relevant information is provided to the board which is accurate, timely

and clear, so that the board may make sound decisions, monitor issues effectively and provide appropriate advice

- 2.3 To ensure that the board makes timely decisions
- 2.4 To ensure that all directors are involved in the work of the board by encouraging their active engagement and contribution to board discussions and to ensure constructive relations between executive and non-executive directors
- 2.5 To direct discussions towards a consensus view and sum up discussions for a complete understanding of what has been agreed
- 2.6 Arranging, where appropriate, such informal meetings involving directors, including between non-executive directors, as may be required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues

### **3. Delegation**

- 3.1 To ensure that the board focuses on the key issues facing the Company (as set out in the matters reserved for the board's decision)
- 3.2 To ensure that the board delegates appropriately to its key committees
- 3.3 To ensure that the board sets appropriate levels of authority for the Chief Executive Officer and other individual executives

### **4. Board composition**

- 4.1 To propose to the Nomination Committee suitable candidates for the roles of executive and non-executive directors
- 4.2 With the support of the Nomination Committee, to keep under regular review the composition of the board
- 4.3 To ensure that processes are in place for the appointment, rotation, retirement, succession and, if necessary, removal of directors
- 4.4 To ensure that a succession plan is in place for all directors

### **5. Board and Senior Management performance**

- 5.1 To ensure that the board remains focused on its role and the achievement of key tasks
- 5.2 To establish a process for the carrying out of a rigorous annual evaluation of the board, its members and its committees

5.3 To ensure that the board satisfactorily oversees and evaluates the implementation of the group's strategy, policies, business plans and the board decisions

**6. Support and development**

6.1 To oversee the induction and development of directors ensuring that a properly constructed full, formal and tailored induction process is in place for new directors and that the ongoing development needs of individual directors are identified and met

**7. Communication with shareholders**

7.1 To ensure effective communication with all shareholders and maintain a positive ongoing dialogue with the Company's major shareholders

7.2 Promote the goodwill and support of shareholders and relevant stakeholders

7.3 To ensure, in conjunction with the Chief Executive Officer, that the views of major shareholders are communicated to the board and that members of the board develop an understanding of those views

7.4 To ensure that all directors are available to attend the Company's Annual General Meeting and that the chairmen of the Audit, Nomination, Remuneration and Sustainability committees are fully briefed to answer questions at the meeting if required to do so

## Hochschild Mining PLC

### Description of CEO's Role and Responsibilities

#### PURPOSE

The Chief Executive Officer is responsible for the performance of the Company's businesses, as dictated by the overall strategy agreed by the board of the Company.

#### REPORTING LINE

The Chief Executive Officer reports to the Chairman (acting on behalf of the Board) and to the Board directly.

#### AREAS OF RESPONSIBILITY

##### 1. Leadership

- 1.1 To build and lead an effective and cohesive executive management team with effective succession planning
- 1.2 To evaluate the executive management team
- 1.3 To represent the Company to the City, government, regulatory authorities, the media, shareholders and the general public

##### 2. Strategy

- 2.1 To formulate and propose to the Board the vision and long-term corporate strategy
- 2.2 To successfully communicate and implement the group's strategy as agreed by the Board
- 2.3 To develop and put in place strategic operating plans and budgets for each of the group's business units and central functions that reflect the longer-term objectives and priorities of the board

##### 3. Operations and controls

- 3.1 To implement decisions agreed in principle by the Board
- 3.2 To take remedial action where necessary and to inform the board of any significant changes

- 3.3 To establish an appropriate structure for the group and its management
- 3.4 To ensure appropriate and satisfactory systems are in place for monitoring group performance against plans and budgets
- 3.5 To put in place an effective system of controls throughout the group, covering non-financial as well as financial controls
- 3.6 To ensure that operating objectives and standards of performance are not only understood but owned by management and employees
- 3.7 To ensure that the Company and its businesses comply with all applicable legal and regulatory requirements and, where appropriate, best practice
- 3.8 To ensure that appropriate standards of conduct are established and complied with

#### **4. Communication and reporting**

- 4.1 To keep the Chairman informed and, through him, to keep the board informed on the operation of the Company's businesses.
- 4.2 To provide such information to the board as it requires in order for the board to assess the performance of the business and the achievement of the agreed strategy and budget
- 4.3 To provide an appropriate and satisfactory system for financial management reporting on a monthly basis
- 4.4 To ensure that a system is in place for effective communication with the executive management team and other employees
- 4.5 To be responsible for all corporate communications and to plan and carry out an effective programme of investor relations
- 4.6 To ensure effective communication with shareholders, analysts and the media and to respond appropriately to media and public relations issues

#### **5. Management**

- 5.1 To appoint, build and maintain a first class effective management team and to ensure that remuneration packages are appropriate
- 5.2 To be responsible, overall, for all dealings with company staff and their appointments

#### **6. Efficient Administration**

- 6.1 To approve non-contentious matters of a routine nature

6.2 To approve any item which may need to be addressed urgently between Board meetings and which does not require the consent of the full Board.

**7. Specific Delegated Authorities in relation to contracts**

7.1 Notwithstanding any of the above, the Chief Executive Officer is authorised to approve capital projects, contracts for the acquisition and disposal of fixed assets, joint venture agreements and other contracts to be entered into by the Group within limits set by the Board from time to time.

*v. Jan 2015*