

**Hochschild Mining PLC
(the “Company”)**

Schedule of Matters Reserved for the Board

Notes

In this Schedule, references to **Board committee(s)** shall mean the Audit, Nomination, Remuneration and Sustainability Committees. References to **Audit, Nomination, Remuneration** or **Sustainability** refer to the Board committee which will consider the item and make recommendations to the Board for its final decision.

The initials **CA** refers to the Companies Act 2006, **CGC** refers to the UK Corporate Governance Code, **LR** refers to the Listing Rules of the UK Financial Conduct Authority, **DTR** to the Disclosure Guidance and Transparency Rules and **PR** to the Prospectus Rules.

Items marked * are not considered suitable for delegation to a committee of the Board, for example, because of Companies Act requirements or because, under the recommendations of the UK Corporate Governance Code, they are the responsibility of the Audit, Nomination, Remuneration or Sustainability Committees, with the final decision required to be taken by the Board as a whole.

Group refers to the Company and its subsidiary undertakings.

References to **\$** refer to the lawful currency of the United States of America (US Dollars).

1 Strategy and management

- 1.1 Responsibility for the overall leadership of the Group and setting the Group’s values and standards (CGC 1)
- 1.2 Monitoring of the Group’s culture (CGC 2)
- 1.3 Approval of the Group’s strategic aims and objectives (CGC 1)
- 1.4 Approval of the annual operating and capital expenditure budgets and any changes exceeding 10% of any approved annual operating and capital expenditure budget
- 1.5 Oversight of the Group’s operations ensuring:
 - 1.5.1 competent and prudent management;
 - 1.5.2 sound planning;
 - 1.5.3 maintenance of risk management and internal control systems;
 - 1.5.4 adequate accounting and other records; and
 - 1.5.5 compliance with statutory and regulatory obligations.
- 1.6 Review of performance in the light of the Group’s strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken. (CGC C)
- 1.7 Extension of the Group’s activities into new business or geographic areas to the extent not approved as part of the commercial strategy or annual budget

- 1.8 Any decision to cease to operate all or any material part of the Group's business to the extent not approved as part of commercial strategy or annual budget.
- 1.9 Approval of the Group's policy to hedge its exposure to the risk of fluctuations in the prices of silver and gold or any metal prices.

2 Structure and capital

- 2.1 Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans), share buybacks including the use of treasury shares or the issuance of shares of companies of the Group to any third party.
- 2.2 Major changes to the Group's corporate structure.
- 2.3 Major changes to the Group's management and any change to the Group's internal control structure that monitors management action (e.g. a decision to change the reporting line for internal audit).
- 2.4 Approval of major decisions relating to the taxation affairs of the Group companies including the conduct and settlement of any major taxation disputes.
- 2.5 Any changes to the Company's listing or its status as a public limited company.

Financial reporting and controls

- 3.1 *Approval of the half yearly report and any preliminary announcements of the final results. (DTR 4.1-4.4, Audit)
- 3.2 *Approval of the annual report and accounts, including the corporate governance statement and remuneration report¹ (CA '06 s414, s415, DTR 4, LR 9.8, Audit)
- 3.3 *Approval of the dividend policy.
- 3.4 *Declaration of the interim and other dividends and recommendation of the final dividend 1 (LR 9.7A.2, DTR 6.1.13)
- 3.5 *Approval of any significant changes in accounting policies or practices. (CGC N, Audit)
- 3.6 Approval of treasury policies including entry into banking facilities, foreign currency exposure and the use of financial derivatives.
- 3.7 Following prior review by the Audit Committee, review reports on the operation of the Company's whistleblowing policy and actions taken in dealing with matters reported through the whistleblowing channels. (CGC 6)

4 Internal controls

- 4.1 Review and approval of system of internal control and risk management including:
 - 4.1.1 approving the Group's risk appetite statements;

¹ These items are often considered by the whole Board but with the final formal decision being delegated to a committee (set up solely for that purpose). This allows time for any changes requested at the Board meeting to be incorporated into the final document before publication.

- 4.1.2 receiving reports on, and reviewing the effectiveness of, the Group's risk management and internal control processes to support its strategy and objectives;
- 4.1.3 approving procedures for the detection of fraud and the prevention of bribery;
- 4.1.4 undertaking an annual assessment of the Group's principal and emerging risks and the processes for identifying emerging risks; and
- 4.1.5 approving an appropriate statement for inclusion in the annual report.
(CGC O, CGC 28 and 29, UK Bribery Act 2010, Audit)

5 Contracts

- 5.1 Capital projects that require any unbudgeted binding commitment above \$20 million. Board approval will be required before the commitment is entered into if current year expenditure is expected to exceed \$7 million. Where the current year expenditure is expected to be less than \$7 million, the matter may be approved by management but reported to the next meeting of the Board.
- 5.2 Contracts for the acquisition or disposal of fixed assets above \$20 million entered into by the Company or any subsidiary.
- 5.3 Major investments or disposals including the acquisition or disposal of any material interest (more than \$20 million) in the voting shares of any company or the making of any takeover offer.
- 5.4 Entering into joint venture agreements not in the ordinary course of business or approved as part of annual budget, for example joint ventures that require any binding commitment above \$20 million.
- 5.5 Any other contracts of the Company or any subsidiary above \$20 million excluding the contracts for the sale of doré or concentrate.

6 Communication

- 6.1 Conducting a satisfactory dialogue with shareholders based on the mutual understanding of objectives. (CGC D)
- 6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting. (LR 13)
- 6.3 *Approval of all circulars, prospectuses and listing particulars (approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights may be delegated to a committee). (LR 13, PR 5.5)
- 6.4 Approval of the annual UK Tax Strategy statement
- 6.5 *Approval of press releases concerning matters decided by the Board.

7 Board membership and other appointments

- 7.1 *Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee. (CGC J, Nomination)

- 7.2 *Succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board. (CGC J, B.2)
- 7.3 *Appointments to the Board, following recommendations by the Nomination Committee and, where practicable, seeking to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. (CGC J, Nomination)
- 7.4 *Selection of the Chairman of the Board and the Chief Executive. (Nomination)
- 7.5 *Appointment of the Senior Independent Director. (CGC 12 and, Nomination)
- 7.6 Designation of one or more of the non-executive directors to oversee, on behalf of the Board, the Company and the Board's engagement with employees. (CGC 5)
- 7.7 *Membership and chairmanship of Board Committees following recommendations from the Nomination Committee. (Nomination)
- 7.8 *Continuation in office of directors at the end of their term of office, when they are due to be re- elected by shareholders at the AGM and otherwise as appropriate. (Nomination)
- 7.9 *Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract. (Nomination)
- 7.10 *Appointment or removal of the Company Secretary. (CA '06 Part 12 s270-280, CGC 16)
- 7.11 *Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee. (CA '06s489 and s491, CGC 25, Audit)
- 7.12 Authorisation of new interests and directorships by directors (CA '06 175, CGC 15).

8 Remuneration

- 8.1 *Determining the remuneration policy and terms and conditions of appointment for the directors, Company Secretary and other senior executives. (CGC 33, Remuneration)
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate. (CGC 34)
- 8.3 *The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval. (Remuneration)

9 Delegation of authority

- 9.1 *The division of responsibilities between the Chairman, the Chief Executive, the Senior Independent Director, the Board and the Board Committees which should be in writing and made publicly available. (CGC G and 14)
- 9.2 *Establishing Board Committees and approving their Terms of Reference and material changes thereto. (CGC 17, 24 and 32)

9.3 *Receiving reports from Board Committees on their activities.

10 Corporate governance matters

- 10.1 *Undertaking a formal and rigorous review annually of its own performance, that of the Board Committees and individual directors and the division of responsibilities. (CGC 21)
- 10.2 *Determining the independence of directors. (CGC M)
- 10.3 *Considering the balance of interests between shareholders, employees, customers and the community and reviewing the engagement mechanisms with the Company's key stakeholders and ensuring that they remain effective. (CA '06 s172 and CGC 5)
- 10.4 Review of the Group's overall corporate governance arrangements.
- 10.5 *Receiving reports on the views of the Company's shareholders. (CGC D)
- 10.6 Authorising conflicts of interest where permitted by the Company's articles of association. (CA '06 s175 & 177)

11 Policies

- 11.1 Approval of policies, including:
 - 11.1.1 Code of Conduct
 - 11.1.2 Share dealing code
 - 11.1.3 Health and safety policy
 - 11.1.4 Environmental and sustainability policy
 - 11.1.5 Anti-corruption and bribery policy
 - 11.1.6 Communications policy including procedures for the release of price-sensitive information
 - 11.1.7 Corporate social responsibility policy
 - 11.1.8 Charitable donations policy (CGC I)
- 11.2 Overseeing workforce policies and practices and ensuring they are consistent with the Group's values and support its long-term sustainable success. (CGC E)

12 Other

- 12.1 The policy on the making of donations (political or otherwise).
- 12.2 Approval of the appointment of the Group's principal auditors, UK legal counsel, UK securities counsel, financial adviser and corporate brokers.
- 12.3 Prosecution, defence or settlement of litigation involving above \$20 million (including costs) or being otherwise material to the interests of the Group.

- 12.4 Approval of the overall levels of insurance for the Group including Directors' & Officers' liability insurance and indemnification of directors.
- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.

Matters which the Board considers suitable for delegation are contained in the Terms of Reference of the Board Committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

**Revised and Approved by the Board of Directors of the
Company on 21 November 2019**