

Fresnillo plc

(the “Company”)

Nominations Committee

Terms of Reference:

References within this section to the “**Committee**” shall mean the Nominations Committee.

1 Membership

- 1.1** Members of the Committee shall be appointed by the Board and shall be made up of at least three members, the majority of whom should be independent non-executive directors.
- 1.2** Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3** The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

2 Secretary

- 2.1** The Company Secretary or his nominee shall act as the Secretary of the Committee.

3 Quorum

- 3.1** The quorum necessary for the transaction of business shall be two both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4 Frequency of Meetings

- 4.1** The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee shall require.¹

5 Notice of Meetings

- 5.1** Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

¹ Meetings should be organised so that attendance is maximised (for example by timetabling them to coincide with Board meetings).

6 Minutes of Meetings

- 6.1** The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2** Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, may be made available to any member of the Board who so requests a copy, unless a conflict of interest exists.

7 Annual General Meeting

- 7.1** The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8 Duties

- 8.1** The Committee shall:
 - 8.1.1** establish and review from time to time appropriate induction processes for newly appointed Directors;
 - 8.1.2** regularly review the structure, size and composition (including the skills, knowledge, diversity and diversity) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
 - 8.1.3** give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
 - 8.1.4** be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
 - 8.1.5** ensure that succession planning and appointments to the Board whilst being based on merit and objective criteria promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and a diverse pipeline for succession;
 - 8.1.6** before making an appointment, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - (i) consider the use of open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
 - 8.1.7** keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
 - 8.1.8** keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
 - 8.1.9** review annually the time required from non-executive directors and ensure that new directors disclose any significant time commitments, with an indication of the time involved. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;

- 8.1.10 ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings; and
- 8.1.11 prepare a policy and set objectives in respect of Board and senior management diversity.

8.2 The Committee shall also make recommendations to the Board concerning:

- 8.2.1 plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
- 8.2.2 suitable candidates for the role of senior independent director;
- 8.2.3 membership of the Audit, Remuneration and Health, Safety, Environmental and Community Relations Committees, in consultation with the chairmen of those committees;
- 8.2.4 the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 8.2.5 the annual re-election by shareholders of any director in accordance with the requirements of the UK Corporate Governance Code having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 8.2.6 any matters relating to the 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 provisions of the law and their service contract;
- 8.2.7 the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board; and
- 8.2.8 detailing items that should be published in the Company's Annual Report relating to the activities of the Committee.

9 Reporting Responsibilities

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall make a statement in the annual report about its activities including:
 - 9.3.1 the process used in relation to appointments (including an explanation if external advice or open advertising has not been used), its approach to succession planning and how both support developing a diverse pipeline;
 - 9.3.2 where relevant, how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual Directors, the outcomes and actions taken, and how it has or will influence Board composition;
 - 9.3.3 the policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; and
 - 9.3.4 the gender balance of those in senior management and their direct reports.

10 Other

- 10.1** The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11 Authority

The Committee is authorised:

- 11.1** to seek any information it requires from any employee of the Company in order to perform its duties;
- 11.2** to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- 11.3** to call any employee to be questioned at a meeting of the Committee as and when required.

Approved by the Board of Directors of the Company on 26 February 2020