



COMPENSATION COMMITTEE CHARTER

AEX GOLD INC. (the Corporation)

1. COMPOSITION

- 1.1 The Committee shall be comprised of at least two directors, appointed by the Board, on the recommendation of the Corporate Governance and Nomination Committee. All of the members of the Committee shall be independent, within the meaning of 52-110 and the UK Corporate Governance Code 2018 (published by the Financial Reporting Council). The Committee will also ensure that when making recommendations to the Board on compensation matters it follows the processes set out in this charter to ensure that the Committee follows an objective process in determining compensation.
- 1.2 The appointment of members to the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors.
- 1.3 The chair of the committee (the "**Chair**"), who must be an independent non-executive director, shall be appointed by the Board on the recommendation of the Corporate Governance and Nomination Committee. The chairman of the Board may be a member of (but may not chair) the Committee provided that, other than his or her chairmanship, he or she fulfils the test of independence (in which case he or she will be viewed as an independent director).
- 1.4 In the absence of the Chair (or any deputy appointed by the Board) from any meeting of the Committee, the members of the Committee participating in the meeting shall elect one of their number (being a member who would qualify under these terms of reference to be appointed as the chairman of the Committee by the Board) to chair the meeting.
- 1.5 The secretary of the Corporation (or such other person as the Committee may appoint) shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

2. MEETINGS AND PROCEDURES

- 2.1 The Committee shall meet at least twice a year, or more frequently if required.
- 2.2 At all meetings of the Committee, every item brought to resolution shall be decided by a majority of the votes cast by the participating members. In the case of an equality of votes, the Chair shall not be entitled to a second vote.



- 2.3 Quorum for meetings of the Committee shall be a majority of its members (subject to a minimum of two members) and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.
- 2.4 The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means (including video conference) or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.
- 2.5 Each member (including the Chair) is entitled to one vote in Committee proceedings, however no Committee member shall make a recommendation or vote in relation to his or her own compensation
- 2.6 The Committee meets as required with the Chairman and Chief Executive Officer of the Corporation to discuss any issue relevant to the execution of its mandate. Furthermore, the Committee has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate.
- 2.7 The Committee shall, at the meeting of the Board following its own meeting, report to the directors on its work, activities and recommendations.
- 2.8 Each member of the Committee must, at or prior to the commencement of each meeting of the Committee, disclose to the Committee any interest that he has in any matter to be considered at the meeting. A member of the Committee must not participate in any discussions concerning, and is not entitled to vote in relation to, any matter to be considered at a meeting of the Committee in which he has a direct or indirect interest unless that interest cannot reasonably be regarded as likely to give rise to a conflict of interest.

3. COMPENSATION

- 3.1 The primary function of the Committee is to make recommendations to the board on executive remuneration packages and to ensure that remuneration policy and practices of the Corporation reward fairly and responsibly, with a clear link to corporate and individual performance. The Committee shall:
 - 3.1.1 Have responsibility for setting the remuneration policy for all executive directors and for setting the remuneration for all executive directors of the Corporation and the Corporation's chairman, including pension rights and any compensation payments. The Board itself or, where required by the articles of incorporation or by-laws, the shareholders should determine the remuneration of the non-executive directors within the limits set in the articles of incorporation and by-laws. No director or senior manager shall be involved in any decisions as to their own remuneration.
 - 3.1.2 Recommend and monitor the level and structure of remuneration for the senior management as appropriate.
 - 3.1.3 The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Corporation successfully without paying more than is necessary,



having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Corporation and alignment to the Corporation's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Corporation, with an appropriate balance between fixed and performance-related remuneration and immediate and deferred remuneration.

- 3.1.4 When setting remuneration policy for directors, review and have regard to pay and employment conditions across the Corporation or group, especially when determining annual salary increases and align incentives and rewards with the group's culture.
- 3.1.5 Review the on-going appropriateness and relevance of the remuneration policy.
- 3.1.6 Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer of the Corporation, as appropriate, determine the total individual remuneration package of each executive director, the Corporation Chairman, the CFO and any other designated senior executives including bonuses, incentive payments and share options or other share awards.
- 3.1.7 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Corporation but within any budgetary restraints which may be imposed by the Board.
- 3.1.8 In determining such packages and arrangements, give due regard to any relevant legal and regulatory requirements, provisions and recommendations in the Quoted Companies Alliance (QCA) Corporate Governance Code (the "**QCA Code**"), the QCA'S Remuneration Committee Guide for small and Mid-Size Quoted Companies and the AIM Rules for Companies as well as guidance published by the Investment Association and the Pensions and Lifetime Savings Association ("**PLSA**") and any other applicable rules, as appropriate.
- 3.1.9 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 3.1.10 Consider and determine the other provisions of the service agreements of each executive director and (if required by the Board) other designated senior executives (in particular, the term of their agreement, the length of any notice period, termination payments and compensation commitments).
- 3.1.11 Approve the design of, and determine targets for, any performance-related remuneration schemes operated by the Corporation and approve the total annual payments made under such schemes.
- 3.1.12 Monitor and assess any performance conditions applicable to any long term incentive awards granted under schemes adopted by the company, and design and invoke any safeguards, for example clawback, to protect against rewards for failure through appropriate risk management



of incentive arrangements to ensure that any performance-related payments reflect actual achievements.

- 3.1.13 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, approve the grant of the overall amount of such awards, the individual awards to executive directors and any other designated senior executives and the performance targets to be used.
- 3.1.14 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
- 3.1.15 Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the company, that failure and poor performance is not rewarded and that the duty to mitigate loss is fully recognised.
- 3.1.16 through the Chairman of the Board, ensure that the company maintains contact as required with its principal shareholders about remuneration;
- 3.1.17 Oversee any major changes in employee benefits structures throughout the Corporation or group.
- 3.1.18 Agree the policy for authorising claims for expenses from the directors.
- 3.1.19 Agree the policy for directors' (both non-executive and executive) shareholding guidelines, as well as the senior management, as appropriate.
- 3.1.20 Work and liaise as necessary with all other board committees.
- 3.2 Provide a recommendation to the board regarding the fees of the non-executive directors as required.

4. REPORTING RESPONSIBILITIES

- 4.1 The Chair shall report to the Board on the proceedings of the Committee after each meeting on all matters within its duties and responsibilities.
- 4.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 4.3 The Chair should attend the Corporation's annual general meeting to answer any shareholder questions on the Committee's activities.
- 4.4 The Committee shall prepare a directors' remuneration report as part of the annual report, which should contain, at a minimum:
 - 4.4.1 Explain how the chosen remuneration policy aligns with the Company's business model and achievement of the Company's strategy.



- 4.4.2 Explain how risk is taken into account when determining remuneration policy.
- 4.4.3 Explain how it sets an appropriate balance between fixed and variable pay.
- 4.4.4 Justify the choices it has made regarding performance metrics and targets.
- 4.4.5 Disclose each component of the single figure of total remuneration paid to each director during the year under review.
- 4.4.6 Disclose illustrations of potential outcomes of the remuneration policy showing threshold, target and maximum outcomes, with indications of the impact of share price changes on those outcomes.

5. OTHER MATTERS

- 5.1 The Committee shall be provided with:
 - 5.1.1 access to sufficient resources in order to carry out its duties (including access to the secretary of the Corporation for assistance as required); and
 - 5.1.2 appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 5.2 The Committee shall:
 - 5.2.1 work and liaise as necessary with all other committees of the Board; and
 - 5.2.2 carry out such other duties shall consider such other matters as may be referred to it by the Board from time to time.
- 5.3 The Committee shall arrange for periodic reviews of its own performance and shall, at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 5.4 The Committee is authorised by the Board:
 - 5.4.1 to examine any activity and undertake such investigations and research as it considers necessary or appropriate for the purpose of carrying out its duties;
 - 5.4.2 to obtain, at the Corporation's expense, independent legal or other professional advice on any matter within its remit where the Committee considers it necessary or appropriate to do so;
 - 5.4.3 to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee; and
 - 5.4.4 to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.



APPROVED BY THE BOARD OF DIRECTORS ON
23RD JULY 2020