



## REMUNERATION POLICY FOR THE MANAGEMENT BOARD OF ICHOR COAL N.V.

### 1. GENERAL

This remuneration policy of Ichor Coal N.V. (**IchorCoal**) is based on the following principles:

- the remuneration of the members of the management board of Ichor Coal (the **Management Board**) are competitive in comparison to the peers in the relevant labour market in Europe;
- the fixed and variable pay ratio and the short-term incentive and the long-term incentive reflect a strong emphasis on performance related remuneration focused on long-term shareholder value creation; and
- the remuneration is tailored to the experience, role, focus, responsibilities, performance and required experience and skills of each member of the Management Board in order to enhance behaviour required for a successful performance in the existing roles within the Management Board.

The remuneration consists of the following components:

- base salary;
- a short-term incentive (annual bonus);
- a long-term incentive in the form of a stock option plan;
- a retention bonus; and
- other arrangements such as the payment of premiums for (life) insurance, use of a company car for business purposes and expense allowances.

Contracts may include a severance pay clause.

### 2. OBJECTIVES REMUNERATION POLICY

IchorCoal holds the view that its remuneration policy for the Management Board should serve the following objectives (the **Remuneration Objectives**):

- reflect the interests of all stakeholders;
- attract and retain members of the Management Board that have the talent and skills to develop and expand the business;
- link rewards to creating shareholder value;
- relate the variable income component to performance reinforcing the business strategy;
- avoid inappropriate risks; and
- create long-term value and enhance the sustainable development of the company.

### 3. **BASE SALARY**

Base salaries are based on a function-related salary system and are in line with market developments. The supervisory board of Ichor Coal (the **Supervisory Board**) has established that the current remuneration of the members of the Management Board is in line with the Remuneration Objectives and as a result no fundamental changes are considered as regards the remuneration of the members of the Management Board for 2014. Annually, the Supervisory Board will re-evaluate the base salary level and the short-term incentives, taking into account share option arrangements, if applicable. Base salary levels will be reviewed, taking into account developments in the pay market and other factors (including potential changes in job sizes). The criteria for an annual increase of the base salary of the members of the Management Board are to be discussed and decided by the Supervisory Board.

### 4. **SHORT-TERM INCENTIVE (ANNUAL BONUS)**

(a) Ratio base salary/short term incentive

An annual short-term incentive plan shall apply to the Management Board. The incentive scheme will be provided in a cash payment, the level of which shall depend on the fulfilment of pre-determined criteria and annual objectives. The criteria and objectives shall be determined and reviewed by Supervisory Board.

(b) Objectives

The objective of this short-term incentive is to incentivize the Management Board on achieving the targets related to the short-term focus of Ichor Coal and investors and to encourage progress in the achievement of long-term objectives.

(c) Targets

Payment of the bonus as a whole is dependant on the achievement of agreed objectives and business performance set by the Supervisory Board.

These targets are set at a challenging level, taking into account general trends in the relevant markets, and are linked to the financial results.

The CEO shall update the Supervisory Board on the achievement of the targets against the individual performance on a regular basis.

Further details on the performance targets cannot be disclosed as this regards commercially sensitive information. In addition, such information may qualify as guidance on financial performance, which may lead to the obligation to provide trading updates, where such need would otherwise not exist.

(d) Additional bonus payments

The bonus payments referred to above may be increased by the Supervisory Board at its sole discretion and with the appropriate corporate approvals in the event of exceptional achievements of the relevant member of the Management Board.

**5. LONG-TERM INCENTIVE (STOCK OPTION PLAN)**

Ichor Coal's long-term incentive stock option plan is intended:

- to attract and retain key talent to Ichor Coal in order to safeguard its human capital which is needed to meet the business objectives; and
- to align (more closely) the interests of the members of the Management Board, with those of the shareholders through a focus on the increase in value of Ichor Coal shares.

Members of the Management Board should be eligible to participate in the Ichor Coal N.V. Stock Option Plan, as amended from time to time. Stock options granted under this plan may be made conditional to the fulfilment of performance conditions and/ or continued employment until the vesting date.

The condition(s) for any options to be able to vest shall be determined by the Supervisory Board. As these targets may contain commercially sensitive information, the Supervisory Board may decide to keep these confidential and undisclosed.

The Supervisory Board at its sole discretion will decide if and to what extent grants of options shall be made to individual members of the Management Board, taken into account the Ichor Coal N.V. Stock Option Plan, as amended from time to time. Grants shall be determined on the basis of a consistent granting policy, in line with internal remuneration ratios and taking into account the international pay market practice.

**6. BENEFITS**

Ichor Coal may provide a company car to members of the Management Board.

Ichor Coal may also pay the premiums of Death and Disability Insurances and Private Medical Insurances of members of the Management Board.

**7. SEVERANCE PAYMENT**

The maximum remuneration in the event of dismissal is one year's gross base salary. If the maximum of one year's gross base salary would be manifestly unreasonable for a member of the Management Board who is dismissed during his term of office, such member shall be eligible for a severance pay not exceeding twice the annual gross base salary.

Ichor Coal does not grant loans, including mortgage loans, to the members of the Management Board and Supervisory Board.

**8. RETENTION BONUSES**

The Supervisory Board may at its sole discretion decide to grant retention bonuses to members of the Management Board up to a maximum of EUR 250,000.00 per annum.

**9. ADJUSTMENT OF BONUSES**

If a variable remuneration component conditionally awarded to a member of the Management Board in a previous financial year would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the Supervisory Board has the power to adjust the value downwards or upwards.

**10. OUTCOME VARIABLE INCOME COMPONENTS**

Before drawing up the remuneration policy and determining the remuneration of individual members of the Management Board, the Supervisory Board has analysed the possible outcomes of the variable remuneration components and how they may affect the remuneration of the members of the Management Board. The outcome of this analysis does not result in the need to amend the variable income components.