

Explanatory notes to the agenda of the Annual General Meeting of Shareholders (AGM) of Ichor Coal N.V. (the Company) on 25 June 2015

Agenda item 2(a)

Annual report 2014.

The annual report of the Management Board will be discussed, including the report of the Supervisory Board.

Agenda item 2(b)

Implementation of the remuneration policy in 2014.

Pursuant to Section 2:135(5a) of the Dutch Civil Code, a discussion should be held regarding the implementation in 2014 of the remuneration policy for the Management Board. The discussion takes place on the basis of the information referred to in Section 2:383c up to and including Section 2:383e of the Dutch Civil Code, as described on page 97 and 98 of the Company's Annual Report 2014 available at the Company's website.

Agenda item 2(c)

Proposal to adopt the annual accounts 2014.

This item will be voted on.

It is proposed to the General Meeting to adopt the annual accounts drawn up by the Management Board and approved by the Supervisory Board. The auditor of the Company has audited the annual accounts and issued an approving auditors statement included in the Company's Annual Report 2014 on page 14 and 15.

The 2014 annual accounts show a loss. Consequently, no profits are distributed, nor other distributions to shareholders are made.

The Supervisory Board has approved the annual accounts on 21 April 2015.

Agenda item 3(a)

Proposal to discharge the Management Board members from liability.

This item will be voted on.

In accordance with Article 31 of the Articles of Association of the Company, it is proposed to the General Meeting to discharge all members of the Management Board, including Mr Sebastian Giese, who left the Management Board on 31 December 2014, from all liability in relation to the exercise of their duties in the financial year 2014, to the extent that such exercise is apparent from the annual accounts or has been otherwise disclosed to the General Meeting prior to the adoption of the annual accounts.

Agenda item 3(b)

Proposal to discharge the Supervisory Board members from liability.

This item will be voted on.

In accordance with Article 31 of the Articles of Association of the Company, it is proposed to release the members of the Supervisory Board from liability for their duties in the financial year 2014 insofar as the exercise of such duties is reflected in the 2014 annual accounts or otherwise disclosed to the General Meeting prior to the adoption of the annual accounts.

Agenda item 4(a)

Proposal to amend the remuneration policy of the Management Board.

This item will be voted on.

The Company has operated a consistent remuneration policy, as approved by the General Meeting on 30 June 2014. During 2014, the Company's remuneration policy has been re-assessed, leading to a proposal for a number of amendments thereto.

With the proposed changes the Supervisory Board wishes to ensure it offers a payment structure that is both competitive as compared to the median of comparable South African mining companies on total reward and consists of a balanced mixture between fixed/variable and cash/share based payment components.

The revised remuneration policy introduces a deferred share plan. On the basis of this deferred share plan deferred shares may be granted that are conditional to the fulfilment of performance conditions and/or continued employment until the vesting date. An award under the deferred share plan is calculated on the basis of the short-term incentive payable to the Management Board. Pursuant to the deferred share plan, 30% of the short-term incentive will be paid in compulsory deferred shares of the Company. A member of the Management Board may decide to receive part of the remaining percentage of the short-term incentive in voluntary deferred shares, on which the respective member of the Management Board may receive a matching share per voluntary deferred share after the relevant vesting period. Compulsory deferred shares, voluntary deferred shares and matching rights will vest after a period of three years after the date of award, subject to the member of the Management Board remaining employed by the Company for the deferral period.

In combination with the stock option plan the deferred share plan provides for executive remuneration that aligns the interests of the executives with both the long term and short term objectives of the Company and which stimulates and enhances both a responsible as well as a performance based culture within the Company. Within this context the stock option plan and the deferred share plan are intended, amongst others, to provide focus on delivering superior returns to shareholders and to align the interests of the members of the Management Board with those of the shareholders by providing the members of the Management Board with an opportunity to participate directly in the growth of the value of the Company as reflected in the share price.

In order to further align long-term interests of the members of the Management Board with the Company's shareholders, share ownership guidelines are set in the revised remuneration policy. Target levels for individual shareholdings to be build up over five years are four times the base salary for the CEO and three times the base salary for other members of the Management Board.

It has been made clear in the revised remuneration policy that Section 2:135(6) and (8) of the Dutch Civil Code apply to the long-term incentive and short-term incentive of the Management Board.

In accordance with Section 2:135(1) of the Dutch Civil Code and Article 12.3 of the Articles of Association of the Company, the Supervisory Board proposes to the General Meeting to adopt the revised remuneration policy. The remuneration policy is available at the website of the Company (www.ichorcoal.com).

Agenda item 4(b)

Proposal to approve the Ichor Coal N.V. Stock Option Plan and the Ichor Coal N.V. Deferred Share Plan.

This item will be voted on.

The revised remuneration policy includes share based forms of executive remuneration in the form of shares or rights to subscribe for shares that can be issued under the Deferred Share Plan and/or the Stock Option Plan. In accordance with Section 2:135(5) of the Dutch Civil Code it is proposed to the General Meeting to approve the terms and conditions of the Stock Option Plan and the Deferred Share Plan (the **Plans**). The Plans have been made available at the website of the Company (www.ichorcoal.com).

Agenda item 4(c)

Proposal to designate the Supervisory Board as the competent body to grant members of the Management Board rights to subscribe for shares pursuant to the Plans.

This item will be voted on.

In accordance with Article 12.4 of the Articles of Association of the Company, the remuneration of the members of the Management Board will be determined by the Supervisory Board, such within the framework of the Company's revised remuneration policy and the Plans. Since the Plans entitle members of the Management Board to acquire shares or rights to subscribe for shares (all subject to the terms and condition of such plans), the Supervisory Board proposes to the General Meeting to designate the Supervisory Board as the corporate body of the Company that is authorised to either issue shares or grant rights to subscribe for shares to members of the Management Board pursuant to the Deferred Share Plan or the Stock Option Plan. The number of shares or rights to subscribe for (or otherwise acquire) shares that may be issued or granted by the Supervisory Board must be within the limits set by the Plans. The subscription price (if any) and further conditions will be determined by the Supervisory Board in accordance with the Plans.

This agenda item also includes the approval of the designation of the Supervisory Board as the corporate body of the Company that is authorised to limit or exclude pre-emptive rights of existing shareholders of the Company in connection with the issuance of shares or grant of rights to subscribe for shares pursuant to the Plans. Both designations under this agenda item are requested for 5 years, being the maximum period allowed under Dutch law, and therefore until 25 June 2020.

For the avoidance of any doubt it is noted that the designations do not affect nor are they related to the proposal to designate the Management Board as the corporate body that is authorised to issue shares or grant rights to subscribe for shares as described under agenda items 5(a).

Agenda item 4(d)

Proposal to determine the remuneration of the Supervisory Board.

This item will be voted on.

The Supervisory Board members have received the following remuneration during 2014:

- the chairman of the Supervisory Board received an amount of EUR 10,000;
- the vice-chairman of the Supervisory Board received an amount of EUR 7,500;
- any other member of the Supervisory Board received an amount of EUR 5,000 as annual remuneration.

In accordance with Article 19.3 of the Articles of Association of the Company, it is proposed to the General Meeting to grant a remuneration to the Supervisory Board members for 2015 as follows:

- members of the Supervisory Board that are not affiliated with the business of the Company or Sapinda in any other way than being a member of the Supervisory Board will receive an amount of ZAR 140,000 as annual remuneration;
- any other member of the Supervisory Board will not receive a remuneration for 2015.

The proposed remuneration of the Supervisory Board constitutes a fixed remuneration to cover the time required to perform the duties of the Supervisory Board and is independent of the performance of the Company.

Agenda item 5(a)

Proposal to extend the designation of the Management Board as the corporate body authorised to resolve to issue shares in the capital of the Company.

This item will be voted on.

It is proposed to the General Meeting to extend the designation of the Management Board as the competent body to resolve to issue new shares and to grant rights to subscribe for shares in the capital of the Company, with a nominal value of EUR 0.10 each, for a period of five (5) years until 25 June 2020, such in accordance with Article 6.2 of the Articles of Association of the Company. This authority was already granted to the Management Board for a five (5) year period as of 27 March 2014. The Management Board would like to confirm this authority for a new period ending on 25 June 2020. The Management Board resolution to issue shares or to grant rights to subscribe for shares will require the approval of the Supervisory Board. The authority of the Management Board to resolve to issue shares and to grant rights to subscribe to shares will be restricted to:

- 10% of the entire issued capital of the Company on a fully diluted basis at the time of the first issuance of shares or the first granting of rights to subscribe for shares under this mandate; and
- an additional 10% of the entire issued capital of the Company on a fully diluted basis in the event of a merger or acquisition.

Upon the approval of the new designation, the mandate granted on 27 March 2014 will be terminated.

The designation of the Management Board as the competent body to resolve to the issue of shares in the capital of the Company and the granting of rights to subscribe to shares in the capital of the Company contemplates flexibility with regard to the financing of the Company and attracting of new capital.

Agenda item 5(b)

Proposal to extend the designation of the Management Board as the competent body to resolve to restrict or exclude pre-emptive rights upon the issuance of shares.

This item will be voted on.

In accordance with Article 7.2 of the Articles of Association of the Company, it is proposed to the General Meeting to extend the designation of the Management Board of the Company as the competent body to resolve to restrict or to exclude the pre-emptive rights upon the issuance of shares or granting of rights to subscribe for shares for a period of five (5) years as of the day of the AGM. This authority was already granted to the Management Board for a five (5) year period as of 27 March 2014. The Management Board

would like to confirm this authority for a new period ending on 25 June 2020. The authority of the Management Board to resolve to restrict or to exclude the pre-emptive rights upon the issuance of shares will be restricted to:

- 10% of the entire issued capital of the Company on a fully diluted basis; and
- an additional 10% of the entire issued capital of the Company on a fully diluted basis in the event of a merger or acquisition,

as referred to under item 5(a). The Management Board resolution to resolve to restrict or to exclude the pre-emptive rights will require the approval of the Supervisory Board.

Agenda item 5(c)

Proposal to authorise the Management Board to repurchase shares.

This item will be voted on.

In accordance with Article 9.3 of the Articles of Association of the Company, it is proposed to the General Meeting to authorise the Management Board to have the Company acquire own shares for a valuable consideration. The authority was already granted to the Management Board for a period of eighteen months as of 27 March 2014. The Management Board would like to confirm this authority for a new period not exceeding eighteen months as of the day of the AGM. The authority of the Management Board will be restricted to 10% of the issued share capital of the Company on a fully diluted basis at the time of the acquisition. The price per share will at least equal its nominal value but not exceed the stock price of a share at the last business day before the date of the acquisition increased by 10%. The approval of the Supervisory Board will be required for the acquisition of own shares by the Company.

The authorization of the Management Board to have the Company acquire its own shares contemplates flexibility.

Agenda item 6(a)

Proposal to appoint the external auditor for the financial years 2015 and 2016.

This item will be voted on.

In accordance with the Articles 27 and 31 of the Articles of Association of the Company, it is proposed to appoint Ernst & Young Accountants LLP (Amsterdam office) as the external auditor of the Company for the current financial year ending on 31 December 2015 as well as for the financial year ending on 31 December 2016. Ernst & Young Accountants LLP also audited the 2014 annual accounts.