

## **Report and proposals of the nomination committee of Auriant Mining AB (publ)**

The nomination committee was convened by the chairman of the board of directors of Auriant Mining AB Lord Peter Daresbury and consisted of Ekaterina Drozdova, chair of the committee (representing Bertil Holdings Ltd), Bernt Plotek (representing Svea Lands S.A. and himself) and Lord Peter Daresbury himself. The chair of the nomination committee has been in contact with shareholders representing more than 62 percent of the shares in order to offer the opportunity to participate in the nomination committee work. As a result, the nomination committee was duly constituted by the three members appointed as above. The two shareholder representatives in the nomination committee jointly represented more than 62 percent of the voting rights in the company. The Nomination Committee has convened over telephone and has had extensive e-mail contact.

The nomination committee presents the following proposals to the AGM. The proposals are numbered according to the proposed agenda of the AGM.

### **Proposal for chairman of the Annual General Meeting (item 2)**

Advocate Mattias Anjou is proposed to be appointed chairman of the meeting.

### **Proposal regarding the number of board members and deputies (item 10)**

The nomination committee proposes that the board shall consist of four (4) members with one (1) deputy board member.

### **Proposal regarding remuneration to the board of directors, deputies and the auditor (item 11)**

The nomination committee notes that the board has been active and convened eight times during the year, where most of the meetings were in person.

The nomination committee proposes that the remuneration to the chairman of the board Lord Peter Daresbury shall be SEK 400,000 (unchanged), remuneration to the ordinary board member Ingmar Haga shall be SEK 250,000 (unchanged), remuneration to the ordinary board member Preston Haskell shall be SEK 250,000 (previous year: SEK 200,000), and remuneration to the new ordinary board member Patrik Perenius shall be in line with other ordinary board members, that is SEK 250,000. The nomination committee further proposes that the remuneration to the deputy board member shall be SEK 250,000 (previous year: SEK 100,000). If any committee is established by the board, it is proposed that remuneration to each member of the committee shall be paid in the amount of 25,000 SEK per annum for participation in it.

The nomination committee proposes that the auditor's fees be approved in line with the agreement between the Company and the auditor.

### **Proposal regarding election of board members, deputies and chairman of the board (item 12)**

The nomination committee proposes re-election of Lord Peter Daresbury, Ingmar Haga and Preston Haskell as members of the board. The nomination committee proposes election of Patrik Perenius as a new member of the board. The nomination committee proposes re-election of James Provoost Smith as a deputy board member. The nomination committee proposes that Lord Peter Daresbury be elected as the chairman of the board.

As a basis for its proposal, the nomination committee has made an evaluation of the board and its work. The nomination committee has come to the conclusion that the proposed board of directors will continue to have a good balance of financial and operational expertise, including skills in the manufacturing, production and exploration areas, as well as knowledge of international markets. In view of the evaluation made, the nomination committee proposes the above mentioned individuals as members of the board of directors.

It was noted that Patrik Perenius was a member of the board between 2004 - 2010, so election will be beneficial for the Company and his experience and expertise will be very useful. The nomination committee notes that it is desirable to diversify the structure of the board. Therefore, the nomination committee will continue actively looking for a female candidate with the relevant skillset.

The proposal for the composition of the company's board of directors meets the requirements of the Swedish Code for Corporate Governance regarding independence of the members. Peter Daresbury, Ingmar Haga and Patrik Perenius are regarded as independent in relation to the company, its management, as well as the company's major shareholders. Preston Haskell is not regarded as independent in relation to the company, its management and the company's major shareholders, based on the fact that he controls the company's largest shareholder and was the CEO of the company within the past 6 years.

### **Proposal regarding election of auditor (item 13)**

The nomination committee proposes re-election of the accounting firm Öhrlings PricewaterhouseCoopers AB. Öhrlings PricewaterhouseCoopers AB has informed the nomination committee that, if the committee's proposal is adopted by the general meeting, Martin Johansson will continue as principal auditor.

The nomination committee believes that the proposed auditor has the skills and experience required for the audit of the Company.

### **Proposal on resolution for appointment of the nomination committee (item 14)**

The nomination committee proposes the following nomination process.

The nomination committee shall consist of the chairman of the board and three members, each representing one of the three owners with the largest voting power. The selection of the three largest shareholders shall be made on the basis of the share register of the Company kept by Euroclear Sweden AB as of the last banking day in September 2017. However if it becomes known to the Company that two or more of the largest shareholders are controlled by the same physical person(s) (or the same physical person(s) holds shares in the Company both directly and through a company controlled by him) then all such shareholders shall be considered as one shareholder for the purposes of the participation in the nomination committee. At the earliest convenient date after the end of September 2017 the Chairman of the Board shall contact the three shareholders with the largest number of voting rights, as determined above, and request that they each appoint a member to the nomination committee. If any of the three shareholders with the largest voting power decline their right to appoint a member to the nomination committee, the shareholder with the next largest voting power shall be provided with the opportunity to appoint a member. If such shareholder also declines its right to appoint a member to the nomination committee or does not respond to the request within a reasonable time then the nomination committee shall be constituted by the remaining members. Unless the nomination committee members decide otherwise, the chairman of the nomination committee shall be the member that represents the shareholder with the largest voting power in the Company. If a member leaves the nomination committee before its work is completed and if the nomination committee considers that there is a need to replace this member, then the nomination committee shall appoint a new member.

The nomination committee shall prepare the following proposals to be submitted to the 2018 Annual General Meeting for resolution:

- a) proposal regarding chairman of the Annual General Meeting,
- b) proposal regarding the number of board members,
- c) proposal regarding election of board members, deputies and chairman of the board of directors,
- d) proposal regarding directors' fees for each of the directors and deputies as well as remuneration for committee work,
- e) proposal regarding election of auditors,
- f) proposal regarding auditor's fees, and
- g) proposal regarding nomination committee.

No remuneration shall be paid to the members of the nomination committee. The nomination committee may charge the Company reasonable costs for travelling and investigations.

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Stockholm in April 2017

The Nomination Committee in Auriant Mining AB (publ)

## **CVs of the proposed board members and deputy board member of Auriant Mining AB (publ)**

### **Lord Peter Daresbury**

Board member since November 27, 2012, Chairman of the Board since May 13, 2014. Independent in relation to the company, its management and the company's major shareholders. Peter Daresbury is a citizen of the United Kingdom, born in 1953.

#### **Education**

Peter has an MA in history from Cambridge University.

#### **Work experience and other board assignments**

Lord Daresbury (Peter) has held many senior positions in the mining industry, including Directorships in Sumatra Copper & Gold Ltd (2007 - 2012); Evraz Group S.A., Russia's largest steel producer (2005 - 2006); as well as Chairman of Kazakhgold Group Ltd (2005 -2007); and Chairman of Highland Gold Mining Ltd, a major Russian gold miner (2002 - 2004). Peter is currently Chairman of Stellar Diamonds plc and Nasstar plc. Current directorships include Bespoke Hotels Ltd and Rasant Ltd, a Russian antimony miner. He is Chairman of The Jockey Club's Haydock Park Racecourse, having held the same position at Aintree Racecourse for 25 years.

Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 140,000.

### **Ingmar Haga**

Board member since May 24, 2012.

Independent in relation to the company, its management and the company's major shareholders. Ingmar Haga is a citizen of Finland, born in 1951.

#### **Education**

Ingmar has an MSc from Åbo Akademi, Finland.

#### **Work experience and other board assignments**

Ingmar is Vice President Europe of Agnico Eagle Mines Limited, a position he has held since 2006. He has held various executive and corporate positions with the Outokumpu Group in Finland and Canada. Prior to joining Agnico Eagle, he was President of Polar Mining Oy, a Finnish subsidiary of Dragon Mining NL of Australia. He has also served as a board member of the Finnish Mining

Association from 2007-2008 and as their Chairman in 2009. Since 2010 he has been a member of the Euromines Steering Committee.

Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 120,000.

### **Patrik Perenius**

Board member in Auriant Mining between 2004-2010.

Independent in relation to the company, its management and the company's major shareholders. Patrik Perenius is a Swedish citizen, born in 1951.

### **Education**

Patrik has an MSc in Mining and mineral processing from the Royal Institute of Technology in Stockholm.

### **Work experience and other board assignments**

Patrik Perenius has held several senior positions in mining and oil companies, in some of them being also a co-founder, for example: Orezone (2012-2016), Archelon Mineral (2007-2014), Gripen Oil&Gas (2012-2014), Aurex (1997-2012). Patrik is currently a board members in Archelon AB, Nickel Mountain Resources AB and Dividend Sweden AB.

Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 0

### **Preston Haskell**

Chief Executive Officer until May 24, 2012, Chairman of the Board from May 24, 2012 until May 13, 2014, Board member since May 13, 2014. Not independent in relation to the company and its management. Not independent in relation to the company's major shareholders. Preston Haskell is a Saint Kitts and Nevis citizen, born in 1966.

### **Education**

Preston has a Degree in Economics from the University of Southern California in the U.S.

### **Work experience and other board assignments**

Preston Haskell has been active as a businessman in Russia since the early 1990s. He serves as Chairman of Auriant Africa, an African focused exploration and mineral resource development and investment business.

Shareholding in Auriant Mining AB: 9,314,968. Stock options in Auriant Mining AB: 0.

### **James Provoost Smith**

Deputy board member since May 13, 2014.

Independent in relation to the company and its management. Not independent in relation to the company's major shareholders.

James Provoost ("JP") Smith is a citizen of the United States of America, born in 1944.

### **Education**

JP Smith graduated cum laude from Princeton University, Princeton, NJ, USA with a degree in Chemistry in 1965 and completed his Masters in Business Administration with high honors from Stanford University Business School in 1970.

### **Work experience and other board assignments**

After Stanford, Mr. Smith worked for McKinsey & Co. before accepting a position as CFO and head of real estate development operations for the Haskell Company in Jacksonville Fl, one of the largest design and build companies in the USA. Mr. Smith joined the Charter Company, a Fortune 500 Company in 1975 where he headed the Media Division and was responsible for Magazine and Newspaper Publishing, Radio Broadcasting, and Direct Marketing operations. He left Charter in 1982 to become CEO and principal owner of the Hamilton Collection, a Direct Marketer of Collectible products. Mr. Smith sold Hamilton in 1993 to Stanhome Inc and served as Executive VP of Stanhome Inc for 2 years thereafter, before retiring to pursue real estate development opportunities and his personal interests. JP Smith has served as an advisor to Preston Haskell IV, Chairman of Auriant Mining AB and was chairman of nomination committee of Auriant Mining AB in 2011-2013.

Mr. Smith served in the Marine Corps and Navy Reserves from 1965 to 1971.

Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 0.

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **THE BOARD OF DIRECTORS' PROPOSAL FOR A RESOLUTION ON GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGEMENT**

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The Board of Directors of Auriant Mining AB (publ) proposes that the meeting resolves on guidelines for remuneration to the executive management of the Auriant Mining group ("Group"), containing the following:

The guidelines shall apply to remuneration and other employment terms and conditions for the managing director and other members of the Group's management ("Group Management") and shall apply until the Annual General Meeting of 2018.

### **Guidelines**

The guidelines shall apply to all employment contracts which are entered into after the meeting's resolution and in those cases where amendments are made to the existing terms and conditions after that point in time. The Company shall aim to offer a total remuneration, which is reasonable and competitive based on the circumstances in the individual country and in that respect shall also be able to offer a so-called "Sign on" bonus in order to recruit the best personnel. The remuneration shall vary in relation to the performance of the individual and the Group. It is proposed that the total remuneration to the Group Management shall consist of the components stated below.

### **Fixed salary**

The fixed salary ("Base Salary") shall be adjusted to the market and be based on responsibility, competence and performance. The fixed salary shall be revised every year.

### **Variable salary**

The variable salary shall relate to the Company's return on production result, reserves and production goals, and specific goals within each executive's area of responsibility. The variable salary shall be paid annually and shall amount to a maximum of one annual Base Salary.

### **Long-term incentives**

The board of directors intends, on a regular basis, to assess the need of long-term incentive programs that shall be proposed to the general meeting.

### **Insurable benefits**

Old-age pension, healthcare benefits and medical benefits shall, if applicable, be prepared in a manner that reflects the rules and practice in the home country. If possible, the pension plans shall be premium determined. In individual cases, depending on the tax and/or social insurance laws which apply to the individual, other adjusted pension plans or pension solutions may be approved.

### **Other benefits**

The Company shall be able to provide individual members of the Group Management or the entire Group Management with other benefits. These benefits shall not constitute a substantial part of the total remuneration. The benefits shall further correspond to what is normal on the market.

### **Termination and severance pay**

Notice of termination of employment shall be no more than twelve months upon termination initiated by the Group and no more than six months upon termination initiated by a member of the management. Severance pay may only be paid out upon termination by the Group or when a member of the Group Management resigns due to a significant change of his/her working conditions, which means the he/she cannot perform adequately.

**Derogation from the guidelines**

The board of directors shall be entitled to derogate from these guidelines if special reasons exist in an individual case.

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Stockholm, April 2017  
**Auriant Mining AB (publ)**  
*Board of Directors*