

Anglo Pacific Group PLC

Terms of Reference of the Executive Committee

Membership and Appointment

- The Committee shall consist of all of the executive directors of the company.
- Non-executive directors shall have the right to attend Committee meetings and other people may be invited to attend, as required.
- The Chief Executive Officer shall be the Chairman of the Committee. In the absence of the Chairman or an appointed deputy, the Committee shall elect one of the members present to chair the meeting.
- The Company Secretary or its nominee shall be Secretary of the Committee.

Proceedings of the Committee

- The Committee shall meet at such times as the Chief Executive Officer or the members of the Committee shall require.
- Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and any supporting papers, shall be circulated to each member of the Committee as soon as reasonably practicable. Notice shall also be provided to all of the non-executive directors.
- The quorum necessary for the transaction of business of the Committee shall be three executive directors.
- The Secretary of the Committee shall minute the proceedings and, once agreed, shall circulate the minutes to all members of the Board, unless it would be inappropriate to do so.
- Except as outlined above, meetings of the Committee shall be conducted in accordance with the provisions of the company's Articles of Association governing the proceedings of directors.

Duties

The Committee shall (for the parent company, its subsidiaries and the group as a whole, as appropriate):

- Approve the opening and closing of bank and broker accounts, including the approval of persons to act as the authorised signatories and of authority limits.

- Reviewing accounts regularly to ensure that all open accounts are still required by the Group.
- Allot shares in the company to satisfy awards of shares under its executive and employee share plans and to approve market purchases or transfers out of treasury of shares for the same purpose. Allotments of shares to directors following the exercise of awards under the plans must also be agreed by the chairman of the Remuneration Committee.
- Determine the remuneration of non-executive directors, having regard to any relevant provisions of the company's articles of association and in consultation with the Chairman of the Board; provided that the remuneration of the Chairman of the Board shall be reserved for the Remuneration Committee and no director shall be involved in any decisions as to their own remuneration.
- Examining proposed investments, acquisitions and divestments. The Committee shall be authorised for and on behalf of the company to approve proposed transactions up to an amount equivalent to £30 million for royalty investments and £10 million for equity investments. Where the potential liability of the company is above this limit (or where the proposed transaction is likely to be funded through the issue of equity and/or involves an investment outside the class of investments agreed by the Board in its annual review of strategy), the Committee shall be responsible for preparing recommendations for the Board.
- Assist the Chief Executive Officer in the performance of his duties, including the day to day management of the company and the consideration of any other matters not specifically reserved for consideration by the Board.

The Committee may authorise any director and/or the Company Secretary to execute and deliver any agreement, document or instrument and to do any act or thing for or in connection with any of the above transactions, arrangements and other matters, including but not limited to, a power of attorney or other document under which the execution and delivery of any agreement, document or instrument constituting or evidencing any of the transactions, arrangements or other matters referred to above will be effected.

Reporting

- The Chairman of the Committee shall report formally to the Board, at each Board meeting, on the proceedings of the Committee since the previous Board meeting.