KINROSS GOLD CORPORATION
PHILOSOPHY AND OBJECTIVES OF OUR EXECUTIVE COMPENSATION PROGRAM

Philosophy and Objectives of Our Executive Compensation Program

To structure Kinross' executive compensation programs, the Company has chosen to use a variety of forms of compensation, including base pay and "at-risk" compensation (short- and long-term incentives), as well as pension and other benefits to achieve the following objectives:

- **Align executive interests with Kinross' long-term strategy and those of its shareholders** by rewarding the creation of shareholder value and exceptional performance without encouraging undue risk taking, including long-term equity-based incentives as a significant portion of annual compensation, and requiring executives to hold a significant value in common shares.
- **Reinforce Kinross' operating performance and execution of strategic objectives** by linking a portion of compensation to corporate performance, including annual operating performance, and linking a portion of compensation to individual performance, including behaviours that support Kinross values. A large percentage of compensation is "at risk" and performance-related – 82% for the CEO and 81% of other named executive officers (NEOs).
- **Enable Kinross to attract and retain high performing executives** through competitive pay practices (including equity), considering relevant mining and industry benchmarks and other factors.
- **Align pay and performance in a way that is transparent and understood by all stakeholders** through clear and complete disclosure of executive compensation policies and practices, including alignment of certain metrics to strategy.

With respect to fiscal 2015, Mercer Canada Ltd., a wholly-owned subsidiary of Marsh & McLennan Companies, conducted a competitive benchmarking analysis for the NEOs and other members of the senior leadership team and independent directors, provided assistance with the drafting of the management information circular disclosure, and updated the committee regarding governance matters.

In addition, over the past two years board members and senior executives have met with some of our largest shareholders and key proxy advisory groups to discuss governance and executive compensation. In response to feedback received, Kinross made a number of changes as it relates to executive compensation to align with best practices.

- ***Adjusted target pay level:*** We changed the target pay level to the median of our comparator group.
- ***Increased proportion of RPSUs and reduced options:*** We increased the proportion of equity granted in the form of restricted performance share units (*RPSUs*)[1] each year for

[1] *Restricted Performance Shareholder Units are granted under the Company's Restricted Share Plan and generally include additional terms such as a restricted period of three years and vesting of RPSU's subject to company performance relative to established performance measures during the three associated calendar years.*

the past three years. For 2015, all NEOs received 50% of their equity in the form of RPSUs. Options now represent just 20% of the total equity granted to these executives.

- ***Updated peer group to include additional gold peers:*** We modified the performance peer group to better align the group to Kinross in terms of size, scope and complexity of operations.
- ***Revised measures for short-term incentive plans:*** In 2014 we revised the measures for our short-term incentive plan and introduced a relative total shareholder returns (TSR) metric. The metrics chosen reflect the critical role of our executives in directing and making strategic decisions for the company and are aligned to the key elements of our strategy. We continue to review possible metrics to be included in our RPSUs and/or short-term incentive plans.
- ***Increased alignment to TSR in compensation plans:*** We have long aligned executive compensation to TSR by granting a significant component of total compensation in the form of equity. Since we implemented RPSUs for 2008 compensation, we have included relative TSR as a metric in that plan, currently determining 50% of the final vesting.
- ***Reduced severance payments on change of control:*** Beginning with our Chief Operating Officer who assumed the role on October 1, 2014, the severance payable for all newly appointed senior executives on change of control will be limited to two times salary, bonus and benefits.
- ***Implemented a compensation recoupment (clawback) policy:*** A recoupment policy was implemented in 2012 that entitles the Company to recoup incentive compensation in situations where there is an accounting restatement as a result of misconduct committed by a senior executive that resulted in the individual receiving or realizing a higher amount of incentive compensation.
- ***Revised equity plans:*** In 2014 shareholders approved proposed changes to our restricted share plan and share option plan that allow us to make more efficient use of the shares authorized for issuance under these equity plans and to reduce dilution.

Our executive compensation is described more fully in our Management Information Circular for the 2016 Annual Meeting of Shareholders.