

5.2 Compensation & Sustainability

factors are integrated into our compensation model, including both executive and eligible non-executive employees short-term incentives. This approach emphasizes the importance of sustainability to our business strategy and future success and ensures that everyone at Orla shares responsibility and actively contributes to achieving our sustainability targets.

Equitable Pay

Orla's approach to executive compensation is also predicated on "pay-for-performance" and fully disclosed publicly. We are committed to providing equitable compensation, supporting internal equity and fairness for all team members.

Targets and Metrics

Sustainability performance – encompassing social, safety, and environmental metrics – account for 25 percent of our annual corporate objectives. This weighting mirrors that of the Company's production, finance, and strategic objectives, further reinforcing the importance of sustainability to the viability of our business.

Oversight

The Human Resources and Compensation Committee (HRCC) of the Board is responsible for reviewing and approving the philosophy and design of the Company's compensation programs. Among its activities, the Committee works to ensure that compensation is linked to Orla's sustainability performance.

The HRCC undertakes an annual review of our compensation programs, and short- and long-term incentive plan designs, to ensure that they align with our peer group and industry best practices and trends. These reviews help us refine and evolve our practices as appropriate.

We also provide shareholders with a non-binding "say-on-pay" vote on Orla's executive compensation, allowing them to submit formal feedback that can influence Orla's compensation practices.

Performance

The Human Resources and Compensation Committee undertook a comprehensive review of our executive compensation programs and related governance practices for the 2024 compensation year. As part of this review, the HRCC benchmarked compensation levels for our Named Executive Officers relative to our peer group. This benchmarking looked at the elements of target total direct compensation, including salary, target short-term incentives and long-term incentives, with our philosophy being to target the 50th percentile of our industry for expected levels of performance.

In 2023 and 2024 we introduced a non-binding "Say-on-Pay" vote. The first- and second-year results were overwhelmingly positive, with 97.5% and 98.8% of Shareholders accepting the Company's approach to executive compensation, respectively. In 2025, Shareholders will again be asked to consider the "Say-on-Pay" vote. The goal is to design an executive compensation program that maximizes stakeholder value.

We continue to use key production, ESG and other metrics to determine executive compensation. For 2024, the HRCC determined that overall performance against the corporate objectives set for the year either exceeded or far exceeded expectations (see chart below). During the year, the Company maintained a strong health and safety record, maintained support of the local communities in which it operates, achieved the high end of its revised production guidance at industry leading cost, continued exploration and study work at each project, and repaid all amounts under its credit facility.

To recognize and reward executives and certain employees for the Company's acquisition of Musselwhite, the HRCC and the Board approved a one-time increase of the corporate performance score by 30%. This award was intended to recognize extraordinary contributions in 2024, encourage focus on successful integration of Musselwhite into the Company's portfolio and reinforce continuity and stability of the leadership team during a critical period.

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Compensation Metrics in 2024

COMPONENT	PERFORMANCE INDICATORS	CRITERIA / DISCUSSION	2024 RESULTS
25% ESG	Lost time injury rates	Lost Time Injury Frequency of 2.59 during a full operational year	↑ Exceeded expectations
	Sustainability	Completed multi-stakeholder partnership projects	
	Environmental incidents	No category 4 or 5 incidents as defined by the US Environmental Protection Agency during a full construction year	
	Sustained operations	No disruptions to operations and maintenance of community relations	
25% Production	Gold poured versus guidance	136,748 oz of gold poured versus original guidance of 110,000 to 120,000 oz	↑↑ Far exceeded expectations
25% Expenditure	Operating and capital cost versus budget	Operating costs at low end of updated guidance and capital costs slightly below guidance	↑ Exceeded expectations
25% Strategic Objectives	Exploration	Drilling programs completed	↑ Exceeded expectations
	Project development	Protracted permitting timelines in Mexico and Nevada	
	Corporate development	Acquisition of Musselwhite	
	Improve balance sheet	Disciplined debt repayment	
		Corporate Performance Score	150%
		Musselwhite Adjustment	+30%
		Adjusted Performance Score	180%