

BENDIGO MINING LIMITED - CORPORATE GOVERNANCE POLICY

REMUNERATION & NOMINATION COMMITTEE CHARTER

The Board of Bendigo Mining Limited has established a Remuneration & Nomination Committee. The purpose and powers of the Committee are set out in this document.

1 Objective

The objective of the Committee is to review and make recommendations to the Board on remuneration and performance frameworks involving employees and Directors which support the achievement of short and long term business goals.

2 Membership

It is the Board's intention that the Committee comprise at least three Non-Executive Directors, with a majority of members classified as independent Directors.

The Board may appoint or remove Committee members by Board resolution.

Members of management may attend meetings of the Committee by invitation.

3 Administrative Matters

A quorum for a meeting of the Committee is two members. A decision is made by the Committee if it is supported by a majority of members present at the meeting.

It is intended that the Committee will normally meet twice yearly or as otherwise required.

The Committee, after notifying the Board Chairman, may seek advice from the Company's legal advisers or other independent advisers as deemed appropriate by the Committee.

Committee fees, as decided by resolution of the Board, may be paid to Committee members and the Committee Chairman as compensation for their participation and contribution.

All minutes of the Committee will be recorded and be available for inspection by any Director.

4 Reporting

It is intended that a report of the actions of the Committee and/or a copy of the minutes of the Committee meetings will be included in the Board papers for the next Board meeting following a meeting of the Committee.

The Committee Chair will, if requested, provide a brief oral report to the Board as to any material matters arising out of the Committee meeting. All Directors may, within a Board meeting, request information from members of the Committee.

5 Responsibilities and Functions

5.1 Remuneration

The role of the Committee in relation to remuneration is to advise the Board on matters relating to the remuneration of the Directors and senior executives and employees of the Company.

The Committee will be responsible for:

- (a) reviewing, determining and approving remuneration arrangements for the CEO and senior executives (including superannuation). In fulfilling this role, the Committee will have regard to the Company's Remuneration Policy to ensure that the structure of the remuneration package:
 - (1) is market related and appropriate for the responsibilities of the role,
 - (2) creates a strong retention mechanism,
 - (3) recognises and rewards performance, and
 - (4) provides incentive and motivation for that person, as part of management, to pursue the long term growth and success of the Company within an appropriate control framework.
- (b) reviewing and approving the general remuneration framework for employees (including superannuation) of the Company, including administration and operation of the Company's share plan and other incentive plans,

- (c) reviewing and approving the Company's recruitment, retention, succession and termination policies and procedures for senior management, and
- (d) making recommendations to the Board regarding their remuneration framework for directors, including in relation to,
 - (1) the level of fees payable to each Non-Executive Director within the maximum aggregate level of remuneration approved by shareholders,
 - (2) any changes to the maximum aggregate level of remuneration approved by shareholders,
 - (3) the manner in which fees may be taken, and
 - (4) any other applicable arrangements, including for example, committee fees, payments of fees for special exertions, and Director expense claims.

5.2 Nomination

The role of the Committee in relation to Nomination is to advise the Board on matters relating to the appointment of Directors.

The Committee will be responsible for:

- (a) reviewing and making recommendations to the Board regarding the appointment of new Directors, including:
 - (1) identifying and nominating candidates for directorship; and
 - (2) establishing a transparent and formal procedure for the identification of suitable candidates for appointment to the Board;
- (b) establishing criteria for Board membership, including desired qualifications, skills, experience and competencies;
- (c) reviewing current and anticipated Board membership requirements, including:
 - (1) establishing and overseeing processes for the review of the performance of individual Directors and the Board as a whole;
 - (2) from time to time, assessing the extent to which the required skills are represented on the Board and the necessary and desirable competencies of Board members; and
 - (3) from time to time, assessing the time commitments of non-executive Directors and whether candidates (having regard to other commitments) can meet these commitments; and
- (e) recommending the removal of directors;

5.3 CEO Evaluation

The CEO is the key employee of the Company in general and of the Board in particular. As such a special relationship exists between the CEO and the Board.

The detailed CEO evaluation may be assigned to the Committee, with the process co-ordinated by the Chairman of the Board. The Committee will prepare a brief report for the full Board after discussion with the CEO. However, the performance of the CEO is a matter for full Board deliberation and is a separate agenda item at the relevant Board meeting.

CEO evaluation will utilise both quantitative and qualitative measures. Evaluation will be judged against the approved strategic plan.

CEO evaluation will occur annually and the results will be tabled for discussion at the next Board meeting. At this time, the Board and CEO will discuss and agree on goals (both quantitative and qualitative) for the upcoming year.

6 Review

The Board will, periodically, review the membership and Charter of the Committee to determine its adequacy for current circumstances. Where necessary the Committee may, by resolution, alter the responsibilities, functions or membership of the Committee and recommend to the Board the formal adoption of the revised Charter for future operations of the Committee.