

Mundo Minerals Limited

Corporate Governance

REMUNERATION COMMITTEE CHARTER

Introduction

This Charter sets out the purpose, membership, conduct of meetings, responsibilities and reporting of the Remuneration Committee.

Purpose

The Remuneration Committee is a committee of the board of directors with the specific powers delegated under this charter. The Committee's primary purpose is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making recommendations to the board on compensation arrangements for the directors and the senior management team. The remuneration committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis.

The overall objective of the Committee is the retention of a high quality board and senior management team to maximise the value of the investment by shareholders.

Membership

Members of the Committee are appointed by the Board. The Remuneration Committee should comprise of:

- At least two members from the Board;
- Directors who have diverse, complementary backgrounds which are independent of management of the Company.

Current committee members are independent non-executive directors Robert McKenzie and Barry Eldridge.

Meetings

Remuneration Committee meetings will be held as frequently as required though not less than once per year. A quorum will be two members.

The Company Secretary will be the Secretary of the Remuneration Committee and will record the minutes of each meeting.

Responsibilities

The committee is to make decisions with respect to appropriate remuneration and incentive policies for directors and senior management which:

- motivate directors and senior management to pursue long term growth and success of the Company;
- demonstrate a clear correlation between performance and remuneration; and
- align the interests of directors and senior management with the long-term interests of the Company's shareholders.

Mundo Minerals Limited

Corporate Governance

REMUNERATION COMMITTEE CHARTER

Executive Remuneration Packages

The committee is to ensure that:

- executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
- a proportion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances.

Non-Executive Directors

The committee is to ensure that:

- fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting; and
- the Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

Incentive Plans and Benefits Programs

The committee is to:

- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans; and
- ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved.

Reporting Procedures

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman of the Remuneration Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Remuneration Committee meeting along with any recommendations of the Committee.

Review

The Committee shall review and reassess the charter at least annually.