



ABN 63 009 193 980

BLACKTHORN RESOURCES LIMITED

REMUNERATION COMMITTEE CHARTER

April 2011

BLACKTHORN RESOURCES LIMITED
REMUNERATION COMMITTEE CHARTER

1. Purpose

- 1.1 This Remuneration Committee Charter sets out the role, composition and responsibilities of the Remuneration Committee that has been established by the Board of Blackthorn Resources Limited and its controlled entities (collectively 'Blackthorn Resources').
- 1.2 The function of the Remuneration Committee is to assist the Board in fulfilling its responsibilities in relation to determining and reviewing compensation arrangements for executives and non-executive directors of Blackthorn Resources.

2. Scope and Authority

- 2.1 The Remuneration Committee is a standing committee appointed and accountable to the Board of Blackthorn Resources.
- 2.2 In undertaking its duties, the Remuneration Committee has full authority from the Board to review and investigate any matters within the scope of this Charter and to make recommendations to the Board in relation to the outcome of those investigations.
- 2.3 The Remuneration Committee has reasonable access to the resources of Blackthorn Resources to effectively discharge its responsibilities, including obtaining independent professional advice in satisfaction of its duties at Blackthorn Resources' cost.
- 2.4 Any remuneration advice in relation to executive and non-executive directors provided by independent third parties must be sought from and provided directly to the Remuneration Committee.

3. Responsibilities

- 3.1 The Remuneration Committee is responsible for:
 - (a) reviewing at least annually the remuneration policy of Blackthorn Resources to ensure that it meets the following objectives:
 - (i) aligned with shareholder and business objectives and expectations;
 - (ii) attracts and retains suitably qualified and experienced people;

- (iii) provides a level and composition of remuneration that is reasonable, fair and aligned to market;
 - (iv) encourages executives and non-executive directors to pursue the long-term growth and success of Blackthorn Resources, balanced against the need to also achieve critical short-term business objectives;
 - (v) aligned to corporate and individual performance;
 - (vi) be internally consistent;
 - (vii) aligned to regional and industry norms and regulatory requirements.
- (b) monitoring remuneration practices are in compliance with Blackthorn Resources' Remuneration Policy;
 - (c) reviewing the recruitment, retention and termination policies and practices established for Blackthorn Resources' executives and non-executive directors;
 - (d) reviewing and recommending all aspects of remuneration and proposed terms and conditions of employment relating to the Chief Executive Officer and any direct executive reports to the Chief Executive Officer, including establishing and reviewing relevant remuneration performance hurdles;
 - (e) reviewing and recommending any proposed termination payments to the Chief Executive Officer and any direct executive reports to the Chief Executive Officer;
 - (f) reviewing and recommending remuneration structures for non-executive directors of Blackthorn Resources, including seeking shareholder approval for an appropriate level of aggregate non-executive director remuneration;
 - (g) reviewing and recommending all Blackthorn Resources' employee incentive plans, including equity-based plans, and seeking shareholder approval where required;
 - (h) establishing, monitoring and confirming relevant performance thresholds for all employee incentive plans;
 - (i) reviewing and recommending the policy for superannuation arrangements for Blackthorn Resources' employees;
 - (j) reviewing this Charter annually to ensure that it remains relevant and is consistent with the Remuneration Committee's objectives and responsibilities; and
 - (k) reporting to the Board on its meetings and the results of any of its assessments, reviews and recommendations.

4. Composition

- 4.1 The size and composition of the Remuneration Committee is determined by the Board.

- 4.2 In considering the membership of the Remuneration Committee the Board will, as far is practical, aspire to the ASX Corporate Governance Principles and Recommendations in relation to the composition and practices of remuneration committees.
- 4.3 The Remuneration Committee will consist of at least two non-executive directors, the majority who should be deemed independent.
- 4.4 The Chairman of the Remuneration Committee should be an independent director.
- 4.5 The quorum for a meeting of the Remuneration Committee will be two directors.

5. Meetings

- 5.1 The Remuneration Committee will meet formally at least two times each year, and as a minimum will address the following items:
- (i) April
 - review the Remuneration Policy; and
 - establish remuneration performance targets for the ensuing year.
 - (ii) August
 - review and confirm remuneration performance targets for the prior year; and
 - confirm annual remuneration reviews for executive positions.
- 5.2 The Remuneration Committee will also meet whenever necessary to deal with urgent matters that may arise between scheduled meetings.
- 5.3 All directors who are not members of the Remuneration Committee may attend meetings of the Remuneration Committee should they wish to do so. Subject to paragraph 5.4, the Chief Executive Officer may attend Remuneration Committee meetings ex-officio.
- 5.4 The Chief Executive Officer will not attend the meeting while any matter relating to the remuneration or performance of the Chief Executive Officer is under discussion.
- 5.5 The Remuneration Committee may invite other attendees to attend the meetings as required to assist the Remuneration Committee with its deliberations.
- 5.6 Each member of the Remuneration Committee will have one vote and any questions will be decided by a majority of votes. The Chairman of the Remuneration Committee will have a second casting vote.

5.7 The Remuneration Committee will maintain minutes of all its meetings, which will be provided to the Board, together with any recommendations to management or the Board.

6. Performance

6.1 The Board will from time-to-time evaluate the performance of the Remuneration Committee to determine whether or not it is functioning effectively by reference to this Charter and current best practice.

7. Publication of Charter

7.1 The key features of this Charter will be outlined in Blackthorn Resources' annual report.

7.2 This Charter will be made available to Blackthorn Resources' shareholders on request.

7.3 A copy of this Charter will be made available on Blackthorn Resources' website www.blackthornresources.com.au

**Approved and adopted by the Board of Blackthorn Resources Limited on
20 April 2011**