

SECTION 18 – COMPENSATION COMMITTEE CHARTER

I. MANDATE

The directors and officers of the Company assume on behalf of the shareholders significant responsibility and liability. It is important that the directors and officers be reasonably compensated for their efforts in the context of the market for their services and the financial strength of the Company. The Compensation Committee of the Board is established for the purposes of:

- considering alternative types of compensation for the Directors and Officers of the Company and making recommendations to the Board for the establishment of appropriate compensation plans, strategies and policies;
- considering appropriate levels of compensation for the Directors and Officers of the Company and making recommendations to the Board as to the remuneration and other compensation to be provided to the Directors, the President and the other Officers of the Company;
- reviewing personnel policies and benefit plans available to the employees of the Company and making recommendations to the Board; and
- carrying out periodic performance assessments of the President.

II COMPOSITION

- A.** The Compensation Committee shall consist of a minimum of three directors, the majority of whom shall be independent directors.
- B.** All directors may attend meetings of the Compensation Committee at the Committee Chair's invitation, but may not vote and may not be counted for the purposes of the quorum.
- C.** A quorum for the transaction of business at all meetings of the Compensation Committee shall be a majority of members.
- D.** The Compensation Committee shall meet at least once each year on such date as the Chair of the Compensation Committee shall determine. Notice of meetings shall be given by letter, telex, telecopier, email or other means of recorded electronic communication or by telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meetings before or after the holding thereof.
- E.** The Chair of the Compensation Committee shall be appointed by the Compensation Committee from among their number.

III. DUTIES OF THE CHAIR OF THE COMPENSATION COMMITTEE

- A.** Lead the Compensation Committee in the performance of its duties and carrying out its responsibilities within the Terms of Reference established by the Board.

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- B.** Report to the Board of Directors on the outcome of the deliberations of the Compensation Committee.
- C.** Meet regularly and as required with Management of the Company to review material issues and to ensure that the Compensation Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

IV. TERMS OF REFERENCE

The Compensation Committee shall on behalf of the Board of Directors, review and make recommendations to the Board of Directors concerning the following:

- A.** Alternative types of compensation for the Directors and Officers of the Company and make recommendations to the Board for the establishment of appropriate compensation plans, strategies and policies.
- B.** Appropriate levels of compensation for the Directors and Officers of the Company and make recommendations to the Board as to the remuneration and other compensation to be provided to the Directors, the President and the other Officers of the Company.
- C.** Personnel policies and benefit plans available to the employees of the Company.
- D.** Periodic performance assessments of the President.
- E.** The annual, or more often if appropriate, review the following:
 - (i) the succession plans and process for key employees;
 - (i) performance appraisal and management and employee development programs;
 - (ii) contingency plans in the event of the unexpected disability of key employees;
 - (iii) proposed personnel changes involving key employees reporting to the Chief Executive Officer;
- F.** The annual, or more often if appropriate, review of the following:
 - (i) the succession plans and process for key employees;
 - (iv) performance appraisal and management and employee development programs;
 - (v) contingency plans in the event of the unexpected disability of key employees;
 - (vi) proposed personnel changes involving key employees reporting to the Chief Executive Officer;