

## **LUNDIN MINING CORPORATION**

### **MANDATE OF THE HUMAN RESOURCES / COMPENSATION COMMITTEE**

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#### **A. PURPOSE**

The overall purpose of the Human Resources / Compensation Committee (the "Committee") is to implement and oversee human resources and compensation policies approved by the Board of Directors (the "Board") of the Corporation.

#### **B. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board, all of whom shall be non-management directors, and "independent", as that term is defined in National Instrument 58-101 "Disclosure of Corporate Governance Practices".
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
3. The secretary of the Committee shall be designated from time to time from one of the members of the Committee or, failing that, shall be the Corporation's Corporate Secretary, unless otherwise determined by the Committee.
4. The Committee shall meet regularly each year on such dates and at such locations as the Chair of the Committee shall determine and may also meet at any other time or times on the call of the Chair of the Committee or any two of the other members. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Chief Executive Officer shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Committee.
6. The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation and may engage independent compensation consultants at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

#### **c. DUTIES AND RESPONSIBILITIES**

1. The duties and responsibilities of the Committee shall be as follows:

- (a) to recommend to the Board human resources and compensation policies and guidelines for application to the Corporation;
- (b) to ensure that the Corporation has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management;
- (c) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and, in light of those goals and objectives, to recommend to the Board the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and to approve compensation for all other designated officers of the Corporation, after considering the recommendations of the Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by the Board;
- (d) to implement and administer human resources and compensation policies approved by the Board concerning the following:
  - (i) executive compensation, contracts, stock plans or other incentive plans, including making recommendations to the Board regarding equity-based compensation and options; and
  - (ii) proposed personnel changes involving officers reporting to the Chief Executive Officer;
- (e) from time to time, to review the Corporation's broad policies and programs in relation to benefits;
- (f) to annually receive from the Chief Executive Officer recommendations concerning annual compensation policies and budgets, including both short term incentives and long term incentives including stock options, for all employees;
- (g) from time to time, to review with the Chief Executive Officer the Corporation's broad policies on compensation for all employees and overall labour relations strategy for employees;
- (h) to periodically review the adequacy and form of the compensation of directors and to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director, and to report and make recommendations to the Board accordingly;
- (i) to report regularly to the Board on all of the Committee's activities and findings during that year;
- (j) to develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors within a reasonable period of time following each annual general meeting of shareholders; and

- (k) to review executive compensation disclosure before the Corporation publically discloses this information.

Approval History:

Board of Directors	March 18, 2007
Human Resources/Compensation Committee	December 5, 2012
Board of Directors	December 6, 2012
Human Resources/Compensation committee	December 3, 2013
Board of Directors	December 4, 2013