

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

REMUNERATION POLICY

General Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for directors' fees. The directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

Executive Remuneration

The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration which is market related.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and expert advice.

The Board's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- a) reward reflects the competitive market in which the Company operates;
- b) individual reward should be linked to performance criteria; and
- c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives and other senior managers consists of the following:

- a) salary - executives director and senior manager receive a fixed sum payable monthly in cash;
- b) bonus - executive directors and nominated senior managers are eligible to participate in a profit participation plan if deemed appropriate;
- c) long term incentives - executive directors may participate in share option schemes with the prior approval of shareholders. Executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and
- d) other benefits - executive directors and senior managers are eligible to participate in superannuation schemes.

Non-executive remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The full Board recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The Board ensures that all matters of remuneration will be in accordance with Corporations Act requirements, by ensuring that none

of the Directors participates in any deliberations regarding their own remuneration or related issues.

The maximum aggregate remuneration approved for non-executive directors is currently \$100,000.

Non-executive directors are not entitled to participate in equity based remuneration schemes.

All directors are entitled to have their indemnity insurance paid by the Company.

This Policy was adopted by the Consolidated Tin Mines Limited Board on 10th February 2009