

## **Rhino GP LLC**

### **Charter of the Compensation Committee of the Board of Directors**

**Effective as of December 21, 2012**

The Board of Directors (the "Board") of Rhino GP LLC (the "General Partner"), the general partner of Rhino Resource Partners LP (the "Partnership") has adopted the following charter (this "Charter") of the Compensation Committee (the "Committee") on December 21, 2012, granting to the Committee the authority, responsibility and specific duties as described herein. This Charter governs the operations of the Committee. At least annually, the Committee shall review and reassess this charter and recommend any proposed changes to the Board of Directors (the "Board") for its approval. The Board shall have sole authority to amend this charter.

#### **I. Purposes**

The Committee is appointed by the Board to discharge the Board's responsibilities relating to compensation, development and succession of the General Partner's executives. The purposes of the Committee are to:

- A. Review, approve and evaluate the compensation plans, policies and programs for officers, directors and employees of the General Partner and the Partnership;
- B. Review and discuss with the General Partner's management the Compensation Discussion and Analysis ("CD&A") to be included in the Partnership's annual report on Form 10-K and to determine whether to recommend to the Board that the CD&A be included in such annual report, in accordance with applicable rules and regulations;
- C. Produce the Compensation Committee Report for inclusion in the Partnership's annual report on Form 10-K, in accordance with applicable rules and regulations;
- D. Otherwise discharge the responsibilities described herein relating to compensation of the General Partner's officers and directors; and
- E. Perform such other functions as the Board may assign to the Committee from time to time.

#### **II. Members**

The Committee shall be appointed by the Board in its sole discretion. Non-independent directors may serve on the committee. The chairman of the Committee shall be appointed by the Board or, if a Chairman is not designated by the Board or present at a meeting, shall be selected by majority vote of the Committee. Committee members shall serve until their successors are duly appointed and qualified or until their earlier resignation, retirement death or removal. The Board may remove or replace the chairman or any member of the Committee by majority vote at any time, with or without cause. Any vacancy on the Committee shall be filled by a majority vote of the Board.

The Committee may form and delegate any of its responsibility to subcommittees consisting of one or more members of the Committee as it deems necessary or appropriate in its sole discretion.

#### **III. Authority**

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding statements, the Committee shall have the authority to:

1. Conduct or authorize investigations into any matter within the scope of the responsibilities delegated to the Committee as it deems appropriate, including the authority to request any officer, employee or advisor of the General Partner or the Partnership to meet with the Committee or any advisors engaged by the Committee.
2. Select, retain and determine funding for and terminate such compensation consultants, outside counsel and other advisors (“Consultants”) as it deems necessary or appropriate in its sole discretion to fulfill its responsibilities, including the evaluation of director, Chief Executive Officer of the General Partner (“Chief Executive Officer”) or officer compensation. The Committee may also utilize the services of regular outside legal counsel or other advisors to General Partner. The General Partner shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any advisors employed by the Committee; and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **IV. Responsibilities**

The Committee shall have the following authority and responsibilities:

##### Executive Compensation

- To exercise oversight over all matters of executive compensation policy.
- To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer. The Committee shall evaluate at least once a year the Chief Executive Officer’s performance in light of these established goals and objectives and based upon these evaluations shall make recommendations to the Board regarding the Chief Executive Officer’s annual compensation, including salary, bonus, incentive and equity compensation.
- To review on an annual basis the compensation structure for executive officers of the General Partner, to make recommendations to the Board regarding the compensation of the Chief Executive Officer and the Chief Financial Officer, and to approve the compensation structure for other executive officers of the General Partner selected by the Committee (“Designated Executive Officers”).
- With respect to Designated Executive Officers, to review and approve employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.
- With respect to the Chief Executive Officer and Chief Financial Officer, to review and recommend employment agreements to the Board for approval.
- To review on an annual basis and make recommendations to the Board the compensation structure of directors, including incentive and equity based compensation plans. With respect to independent directors, the Committee will consider that a Board director’s independence may be jeopardized if (a) his or her compensation and perquisites exceed customary levels, (b) the General Partner or the Partnership make substantial charitable contributions to organizations with which the director is affiliated or (c) the General Partner or the Partnership enters into consulting contracts with (or provides other indirect forms of compensation to) the director or an organization with which the director is affiliated. Directors who are employees of the General Partner or the Partnership shall not receive any additional compensation for service on the Board.
- To review the General Partner’s incentive compensation and other equity-based plans and recommend changes in such plans to the Board as needed. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.

- To review and discuss with management the CD&A, and based on such review and discussions, make recommendations to the Board that the CD&A be included in the Partnership's annual report on Form 10-K.
- To prepare and publish an annual Compensation Committee Report in the Partnership's annual report on Form 10-K.
- To review and approve, or review and recommend to the Board for its approval of, any transaction, including executive officer compensation, in common units of the Partnership, or derivatives of those equity securities, between the General Partner Partnership and any officer or director of the General Partner who is subject to the reporting and short-swing liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16"), for compliance with Section 16, and other applicable laws, rules and regulations.
- To report regularly to the Board on the Committee's activities.
- To prepare an annual evaluation of the Committee's performance and submit itself to review and evaluation by the Board.
- To ensure that unitholders are given the opportunity to vote on equity-compensation plans, as may be required by law, the charter documents and governing documents of the General Partner or the Partnership (as amended from time to time), the General Partner's Corporate Governance Guidelines and the listing standards of the NYSE.
- To monitor the General Partner and the Partnership's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers and with all other applicable laws affecting employee compensation and benefits.
- To perform any other activities consistent with this charter, the General Partners' and Partnerships' charter and governing documents, as the Committee or the Board deems appropriate.
- To post this Charter on the Partnership's website as required by applicable rules and regulations. In addition, the Partnership shall disclose in its annual report on Form 10-K that a copy of this Charter is available on the Partnership's website, and provide the website address.

## V. Meetings

The Committee shall meet at the call of its chairman, two or more members of the Committee or the Chairman of the Board. The Committee shall meet as often as it shall determine, but not less frequently than annually. The Committee may invite Consultants, members of the General Partner's management or other directors to attend meetings of the Committee or to meet with any members of the Committee. Those in attendance may observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director that is not a member of the Committee.

Except as otherwise provided by the limited liability company agreement of the General Partner, the location and operation of meetings and similar procedural matters relating to the Committee shall, to the extent applicable, be the same as those that relate to meetings of, and procedural matters concerning, the Board. The Committee shall make regular reports to the Board of its actions and any recommendations to the Board, directly or through its Chairman.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law.