

**1. PURPOSE**

1.1 The Compensation Committee ("Committee") is appointed by the Board to evaluate and recommend to the Board the approval of the compensation plans, policies and programs of the Corporation.

**2. COMMITTEE MEMBERSHIP**

2.1 The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the TSX Venture Exchange and provincial securities regulators.

2.2 The Board shall designate one member of the Committee to serve as Chair.

2.3 The Compensation Committee Chairman shall (a) chair all meetings of the Compensation Committee; (b) coordinate the evaluation of the performance of the CEO; (c) set the frequency and length of the meeting(s) and the agenda items to be addressed at each meeting; and (d) perform such other activities from time to time as are requested by the other directors or as circumstances indicate.

**3. COMMITTEE RESPONSIBILITIES**

3.1 The Compensation Committee shall perform the following duties and fulfill the following responsibilities:

a. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Corporation's performance and relative shareholder return, the value of similar incentive rewards to CEOs at comparable companies, and the awards given to the CEO in past years.

b. The Committee shall review from time to time the compensation systems that are in place for employees of the Corporation in order to ensure there is internal and external equity in the compensation of all employees, including incentive-compensation plans and equity-based plans.

c. The Committee shall review and approve and recommend to the Board of Directors for its approval: (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits for the Chairman, the CEO and the other executive officers of the Corporation.

d. The Committee shall, in consultation with the CEO, review and approve and recommend to the Board of Directors for its approval the granting of options to the directors, officers and other employee.

d. The Committee shall review and approve and recommend to the Board of Directors for its approval the compensation of the independent directors.

e. The Committee shall make regular reports to the Board and shall provide copies of the minutes of the meetings of the Committee to the Board.

f. The Committee is responsible for producing an annual report on executive compensation for inclusion in the Corporation's proxy statement in accordance with applicable rules and regulations.

#### **4. AUTHORITY**

4.1 The Committee has the authority:

- a. to engage compensation consultant(s) and other advisors as it determines necessary to carry out its duties; and
- b. to set and pay the compensation for any advisors employed by the Committee.

#### **5. MEETINGS**

5.1 The Committee will meet at least one time per year, and additionally as necessary.

5.2 With the approval of all Committee members, a meeting of the Committee may be conducted with any or all members of the Committee present by telephone conference call.

5.3 A quorum for a meeting of the Committee will be a majority of the members, present either in person or by telephone conference call.

5.4 Resolutions of the Committee will be carried by a majority of the votes cast by the members of the Committee at the meeting, present either in person or by telephone.

5.5 All members of the Board are free to attend and participate in any meetings of the Committee, but only members of the Committee are entitled to vote.

5.6 The Committee may invite such officers and employees of the Corporation to attend such meetings as the Committee sees fit.

#### **6. ASSESSMENT OF THE COMMITTEE AND CHARTER REVIEW**

6.1 The Committee and the Board shall annually assess the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practices.

6.2 The Committee and the Board shall annually review and update this Charter as required.

#### **7. REMUNERATION**

7.1 The members of the Committee will be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.