

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER

1. Purpose

The overall purpose of the Compensation and Corporate Governance Committee (the “**Committee**”) is to take the leadership role in shaping corporate governance by establishing, amending and monitoring the corporate governance processes and practices of the Company, appointment and performance assessment processes and to oversee human resources and compensation policies and best practices for recommendation to the board of directors of the Company (the “**Board**”) for approval and implementation.

2. Duties and Responsibilities

2.1. The duties and responsibilities of the Committee with respect to compensation shall be as follows:

- (a) to recommend to the Board any significant human resources and compensation policies and guidelines which have been proposed by the executives and President and Chief Executive Officer for application to the Company and to ensure that such compensation is market oriented and comparable with similar companies in similar businesses;
- (b) to review any disclosure relating to executive officer compensation prior to any public dissemination of such disclosure and if required by applicable legislation or policy, to prepare, on an annual basis for inclusion in the Company’s annual management information circular, a report on the Company’s compensation practices;
- (c) to ensure that the Company has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management and, in particular, that:
 - (i) properly reflect the duties and responsibilities of members of management,
 - (ii) are effective and competitive in attracting, retaining and motivating people of the highest quality, and
 - (iii) are based on established corporate and individual performance objectives;
- (d) to review and approve the compensation of the President and Chief Executive Officer on an annual basis, evaluate the President and Chief Executive Officer’s performance and set the compensation of the President and Chief Executive Officer based on this evaluation;

- (e) to review, on an annual basis, the salary, bonus and other benefits, direct and indirect, of the President and Chief Executive Officer and make recommendations in respect thereof for approval by the Board, provided that such Board approval will include the approval of a majority of directors that are “independent” of the Company within the meaning of all applicable legal and regulatory requirements (except in circumstances, and only to the extent, permitted, by all applicable legal and regulatory requirements);
- (f) to review, on an annual basis, the salary, bonus and other benefits, direct and indirect, of the Executive Chair, for the time that the Company has such an officer and make recommendations in respect thereof for approval by the Board, provided that such Board approval will include the approval of a majority of directors that are “independent” of the Company within the meaning of all applicable legal and regulatory requirements (except in circumstances, and only to the extent, permitted, by all applicable legal and regulatory requirements);
- (g) to review, on an annual basis, the proposed compensation for all other executive officers of the Company after considering the recommendations of the President and Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by the Board, and make recommendations in respect thereof for approval by the Board, provided that such Board approval will include the approval of a majority of directors that are “independent” of the Company within the meaning of all applicable legal and regulatory requirements (except in circumstances, and only to the extent, permitted, by all applicable legal and regulatory requirements);
- (h) to implement and administer compensation policies approved by the Board concerning the following:
 - (i) executive officers compensation, contracts, stock plans or other incentive plans; and
- (i) to review any proposed amendments to the Company’s incentive stock option plan and report to the Board;
- (j) to review and make recommendations to the Board concerning the recommendation of the President and Chief Executive Officer for stock option grants to directors, executive officers, senior employees and consultants of the Company and its affiliates under the Company’s incentive stock option plan;
- (k) from time to time, to review the Company’s policies and programs in relation to benefits;
- (l) to annually receive from the President and Chief Executive Officer recommendations concerning annual compensation policies for all employees;
- (m) from time to time, to review with the President and Chief Executive Officer the Company’s policies on compensation for all employees and overall labour relations strategy for employees;

- (n) to periodically review the adequacy and form of the compensation of directors and to ensure that the compensation appropriately reflects the responsibilities and risks involved in being an effective director, and to report and make recommendations to the Board accordingly; and
 - (o) to report regularly to the Board on all of the Committee's activities and findings during that year.
- 2.2 The duties and responsibilities of the Committee with respect to nomination shall be as follows:
 - (a) to seek out and review recommendations regarding potential director candidates and, if requested by the Board of Directors, potential President and Chief Executive Officer candidates as identified from time to time; and
 - (b) with the assistance of management, to design a process and materials for the orientation and education of new directors to be conducted by the Chairman of the Board, and provide continuing education materials to continuing directors where appropriate.
- 2.3 The duties and responsibilities of the Committee with respect to corporate governance shall be as follows:
 - (a) to annually review the size and effectiveness of the Board, the committees of the Board, and the individual directors, and report on such assessments to the Chairman of the Board and the Board. This review will include consideration of which competencies and skills the Board should possess, including consideration of the competencies, skills and personalities of the directors individually and as a group;
 - (b) to annually review the composition of the Board and its committees to determine if the members meet the "independent" director criteria within the meaning of all applicable legal and regulatory requirements;
 - (d) to annually review the duties of the directors and the members of the committees of the Board and make recommendations in this respect to the Board;
 - (e) to recommend the appointment of directors to committees and whenever the Committee deems it to be advisable, suggest rotations for committee chairpersons;
 - (f) to develop an annual performance review process and guidelines for assessment of the effectiveness of the President and Chief Executive Officer and supervise and assess the annual performance review process;
 - (g) to establish and periodically review a comprehensive list of good corporate governance practices for the Company consistent with all relevant legislative and regulatory requirements;
 - (h) in conjunction with the Chief Executive Officer and Corporate Secretary 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 within a reasonable period of time following each annual general meeting of shareholders;

- (i) to review and assess the Company's compliance with all such corporate governance requirements;
- (j) to ensure that an appropriate Code of Conduct and Business Ethics is formalized in writing and review the Company's monitoring of compliance with the Code of Conduct and Business Ethics;
- (k) to monitor any requests made by the directors to engage outside advisors with respect to corporate governance issues, at the Company's expense; and
- (l) to review any issues of conflict.

3. **Composition, Procedures and Organization**

- 3.1. The Committee will consist of at least three members of the Board. The Committee must be composed entirely of directors that are "independent" within the meaning of all applicable legal and regulatory requirements.
- 3.2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, will 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.
- 3.3. The Committee shall elect from its members a Chairman. The Secretary shall be elected from its members, or shall be the Secretary, or the Assistant or Associate Secretary, of the Company.
- 3.4. Any member of the Committee may be removed or replaced at any time by the Board. A member shall cease to be a member of the Committee upon ceasing to be a director of the Company.
- 3.5. Meetings of the Committee shall be called by the Chairman of the Committee and shall be held at least 2 times a year.
- 3.6. The times and places where meetings of the Committee shall be held and the procedures at such meetings shall be as determined, from time to time, by the Committee.
- 3.7. Notice of each meeting of the Committee shall be given to each member of the Committee. Subject to the following, notice of a meeting shall be given orally or by letter, electronic mail, facsimile transmission or telephone not less than 48 hours before the time fixed for the meeting. Notice of regular meetings need state only the day of the week or month, the place and the hour at which such meetings will be held and need not be given for each meeting. Members may waive notice of any meeting.
- 3.8. A meeting of the Committee may be held by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other during the meeting.

- 3.9. The majority of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee. Notwithstanding any vacancy on the Committee, a quorum may exercise all of the powers of the Committee.
- 3.10. Any decision made by the Committee shall be determined by a majority vote of the Members of the Committee present or by consent resolution in writing signed by each member of the Committee. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
- 3.11. A record of the minutes of, and the attendance at, each meeting of the Committee shall be kept. The approved minutes of the Committee shall be circulated to the Board forthwith.
- 3.12. The Committee shall report to the Board on all proceedings and deliberations of the Committee at the first subsequent meeting of the Board, and at such other times and in such manner as the Board or the articles of the Company may require or as the Committee in its discretion may consider advisable.
- 3.13. The Committee will meet at least twice annually, and may meet as many additional times as deemed necessary or appropriate by the Committee or as may be requested by any member of the Committee or the President and Chief Executive Officer, in each case at such times and at such locations as may be determined by the Committee or the chair of the Committee.
- 3.14. With prior approval of the Board of Directors, the Committee may retain such outside consultants and advisors (at Company expense) as it deems necessary from time to time to fulfill its duties and responsibilities.

4. **General**

In addition to the foregoing, the Committee will:

- (a) review and assess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval; and
- (b) perform such other duties as may be assigned to it by the Board from time to time or as may be required by any applicable stock exchanges, regulatory authorities or legislation.