

## COMPENSATION COMMITTEE MANDATE

### Purpose of the Compensation Committee

The purpose of the Compensation Committee (the "Committee") is to assist the Board of Directors (the "Board") in monitoring, reviewing and recommending human resource and compensation policies and practices of the Company and administering the Company's share compensation plan(s).

### 1. Constitution and Membership

- 1.1. The Committee shall be appointed by the Board annually and shall be comprised of minimum of three Directors, all of whom will be independent taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges. The Board may remove or replace a member at any time. If the appointment of members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed. A member will cease to be a member upon ceasing to be a Director.
- 1.2. The Board will appoint the Chairman of the Committee. The Committee will appoint a Secretary, who may not be a member of the Committee, to keep minutes of each meeting.

### 2. Meetings

- 2.1. Meetings of the Committee will be held at such times and places as the Chairman or Corporate Secretary may determine, but in any event at least two times per year. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, Committee members will be given 24 hours' advance notice of each meeting and the matters to be discussed at it. Notice may be given orally, by telephone, facsimile or e-mail.
- 2.2. A majority of members of the Committee will constitute a quorum. Decisions of the Committee will be by an affirmative vote of the majority. Powers of the Committee may also be exercised by resolution in writing, signed by all the members of the Committee.

### 3. Responsibilities

- 3.1. The Committee's responsibilities will include:
  - 3.1.1. reviewing and making recommendations to the Board with respect to the overall compensation strategy and policies for directors, officers and employees of the Company;
  - 3.1.2. reviewing and making recommendations to the Board with respect to the corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of those respective goals and objectives, and recommending to the Board the compensation level of the Chief Executive Officer based on this evaluation and ensuring that the compensation policies for the Chief Executive Officer properly reflect his duties and responsibilities and align the interests of the Chief Executive Officer with the Company's shareholders.

- 3.1.3. reviewing and approving the annual compensation of all other Senior Management of the Company (defined as the President, Chief Operating Officer, Senior Vice-President, Vice-President and Chief Financial Officer);
- 3.1.4. reviewing and making recommendations to the Board, as appropriate, in connection with the Company's succession planning with respect to the Chief Executive Officer and other senior executive officers;
- 3.1.5. administering the Company's Incentive Stock Option Plan in accordance with the terms of such Plan;
- 3.1.6. making recommendations to the Board with respect to the Company's incentive compensation and equity-based plans;
- 3.1.7. reviewing and recommending, on an annual basis, the directors' compensation.
- 3.1.8. reviewing and advising on the Company's domestic and international compensation policies and practices.
- 3.1.9. reviewing and approving the annual disclosure relating to executive compensation contained in the Management Information Circular of the Company;
- 3.1.10. reporting regularly to the Board;
- 3.1.11. reviewing and assessing its mandate and recommending any proposed changes to the Corporate Governance and Nominating Committee of the Board;
- 3.1.12. evaluating the functioning of the Committee on an annual basis.
- 3.1.13. directing and supervising the investigation into any matter brought to its attention within the scope of its duties.
- 3.1.14. performing such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.
- 3.1.15. report regularly and on a timely basis to the Board on matters coming before the Committee, and
- 3.1.16. delivering an annual report to shareholders on executive compensation.

#### **4. Powers of the Committee**

The Committee shall have the authority to retain any compensation consultants and to approve such consultants' fees and other retention terms. The Committee shall have the authority to obtain advice and assistance from outside legal or other advisors in its sole discretion. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

#### Limitation

The duties and responsibilities set out above do not extend, and are not to be interpreted as extending, the obligations and liabilities of the directors beyond those imposed by applicable law and in each case are subject to the Memorandum and Articles of the Company and applicable law.

This mandate supersedes and replaces all prior terms of reference pertaining to the Committee and was adopted by a resolution of the Board effective April 8, 2009.

'Darryl F. Jones'

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Darryl F. Jones, Corporate Secretary