



## **CORPORATE GOVERNANCE NOMINATION AND COMPENSATION COMMITTEE CHARTER**

### **PURPOSE**

The Corporate Governance Nomination and Compensation Committee (the "Committee") is appointed by and acts on behalf of the Company's Board of Directors (the "Board"). The purpose of the Committee will be to:

- monitor and assess the effectiveness of the governance of the Company by the Board;
- develop and recommend to the Board corporate governance practices which are effective and suitable for the Company;
- identify and recommend to the Board qualified and suitable individuals for nomination to the Board;
- oversee the Board's annual evaluation of its performance;
- review, approve and report to the Board on major compensation plans, policies and programs of the Company. The Committee will approve the compensation of executive officers and certain senior management, except the Chief Executive Officer ("CEO"), take specific actions with respect to such compensation and have oversight responsibility over the Company's management development programs, performance assessment of senior executives and succession planning; and
- oversee the preparation of the Company's public disclosure regarding executive compensation practices.

### **COMPOSITION**

The Committee will be composed of at least 3 directors of the Company, all of whom shall be independent directors as required by National Instrument 58-101. The members of the Committee shall meet the independence requirements of the NYSE Amex. The members of the Committee and the Committee Chair will be appointed by the Board and will serve until they resign, are removed by a majority vote of the independent directors of the Board, or their successors are appointed by the Board. The Board may at any time change the composition of the Committee by adding or removing members. Where a Committee Member ceases to be a Committee member (as a result of resignation, removal or for any other reason), the Board may fill the resulting casual vacancy. A member of the Committee who ceases to be a director shall also cease to be a member of the Committee.

In addition, for purposes of meeting the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Committee, or a sub-committee approving the performance goals to which certain of the executive compensation is tied, shall consist solely of at least two "outside" directors, as defined in Treasury Regulation 1.162-27(e)(3) of the Code. Each member of the Committee shall be a "Non-Employee Director" as defined in Rule 16b-3(e) under the Securities Exchange Act of 1934, as amended. The foregoing notwithstanding, no action of the Committee shall be void or deemed to be without authority due to the failure of any member, at the time the action was taken, to meet any qualification standard set forth in this Charter.

## **PROCEDURES**

1. The Committee will meet at least 4 times a year and may schedule such additional meetings as the Committee members or the Committee Chair determine to be necessary for the performance of the Committee's duties.
2. A quorum for a meeting of the Committee shall be a majority of the members of the Committee. No Committee meeting shall be duly constituted and no Committee business shall be transacted at a meeting unless a majority of the members of the Committee are present.
3. At each meeting the Committee shall designate a member or some other person to record the proceedings of the meeting and to prepare minutes of the Committee meeting. After each meeting, the Committee shall provide a report to the Board respecting the matters discussed, recommendations and resolutions made and actions taken at the meeting.
4. A Committee member may participate in a meeting in person, by telephone or, if consented to by other Committee members, through the use of any other communication medium which allows all members attending the meeting to hear each other.
5. The Committee may pass resolutions or otherwise take actions without holding a meeting if all of the members of the Committee consent to such action or resolution in writing.
6. The Committee may delegate to one or more of its members one or more of the responsibilities and duties set forth below.
7. Board members who are not Committee members may attend Committee meetings at their discretion. The Committee may request the presence of the CEO, other members of senior management, officers, employees, outside counsel or consultants of the Company at Committee meetings if the Committee is of the view that their input will be necessary or useful in the context of matters to be discussed at a meeting.
8. The Committee may, at the Company's expense (provided such expense is not unreasonable in the circumstances), retain the services of outside consultants, experts or advisers to assist the Committee with the performance of its duties and responsibilities as set out in this Charter. Board approval will generally not be required prior to the Committee incurring expenses for consultants, experts and advisers, but the

Board may set a maximum annual amount which may be paid for consultants, experts and advisers without prior Board approval.

## **POWERS AND RESPONSIBILITIES**

### Corporate Governance

The Committee shall have the following powers and responsibilities respecting corporate governance matters:

1. Reviewing the Company's corporate governance policies and procedures on at least an annual basis and making recommendations to the Board respecting proposed changes to such policies and procedures.
2. Reviewing the corporate governance disclosure contained in the Company's information circular respecting its annual shareholder meeting (or any other information circular requiring such disclosure), including the statement of corporate governance practices, and recommending any necessary changes.
3. Reviewing on an annual basis the functioning and performance of the Chairman of the Board and the Board as a whole in light of the board of directors' mandate.
4. Making recommendations to the Board respecting the size and composition of the Board and the organization and responsibilities of the various committees established by the Board.
5. Reviewing the performance of individual Board members in all relevant areas, including attendance, contributions to the Board generally and to any committees on which they serve, diligence in the performance of their duties, dealing with conflicts of interest and compliance with statutory and common law obligations.
6. Reviewing and making recommendations respecting the amendment of the following Company policies:
  - Board of Directors' Mandate;
  - Communications / Corporate Disclosure Policies;
  - Code of Business Conduct and Ethics;
  - Whistleblower Policy; and
  - Trading Policy and any other policies respecting trading in the Company's securities.
7. Making recommendations to the Board respecting the resolution of specific conflict of interest issues which are brought to the attention of the Board.
8. Reviewing and approving related party transactions that are greater than \$120,000 in accordance with the Company's related party transactions policies and procedures.

9. Considering matters related to the Company's responsibilities as a global corporate citizen pertaining to corporate social responsibility and corporate public policy and the impact on the Company's employees and stockholders.
10. Reviewing the format of Board meetings and making recommendations for the improvement of such meetings.

### Nominating and Succession

The Committee shall have the following powers and responsibilities respecting nomination and succession:

1. In advance of each annual shareholder meeting, considering the size and composition of the Board to determine whether additional directors should be appointed or existing directors replaced.
2. Determining the skills and qualifications necessary for individual directors and determining the expertise and skill set required of the Board as a whole in light of the Company's business and stage of development.
3. Based on the determinations made under section 2, recommending to the Board nominees to fill vacancies on the Board and management nominees to be recommended for election as directors at annual shareholder meetings.
4. Seeking out candidates to fill Board positions and assisting the Company in attracting qualified individuals to act as Board members based on the determinations made in sections 1, 2 and 3.
5. Exercising sole authority for the engagement and termination of any search firm to be used to identify director candidates and sole authority to approve engagement fees and retention terms for such firms.
6. Considering nominations for Board membership made by stockholders.
7. Evaluating and making recommendations to the Board concerning the appointment of directors to Board committees and the selection of Board Committee chairs.
8. Evaluating and recommending to the Board the responsibilities of the Board committees, including the structure, operations and the authority to delegate to subcommittees.
9. Recommending the desired ratio of employee directors to non-employee directors, but in no event shall the Board be composed of less than a majority of independent directors.
10. Annually reviewing senior management succession planning and organization structure, and periodically reviewing Company policies and programs for the development of management personnel.

### Compensation

The Committee shall have the following powers and responsibilities respecting compensation matters:

1. Considering the compensation policies of other companies of various sizes within the Company's industry and in other industries, with a view to determining appropriate compensation levels, policies and mechanisms for the Company.
2. Reviewing the Company's compensation policies and procedures and making recommendations to the Board respecting proposed changes to such policies and procedures.
3. Reviewing the sufficiency and form of compensation paid to senior officers and directors of the Company and ensuring that the compensation paid reflects the risks and responsibilities of the position in question, in light of the size and nature of the Company's business and compensation paid by companies of similar size and engaged in similar businesses.
4. Reviewing the performance of senior management and Board members and making annual recommendations to the Board respecting the amount and form of compensation to be paid to key management and Board members.
5. Reviewing and recommending to the Board on an annual basis the compensation for non-employee directors.
6. Annually evaluating the CEO's performance against approved performance goals and objectives. In reviewing the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at peer group companies, and the awards given to the CEO in past years, and other such matters deemed relevant.
7. If appropriate, hiring experts in the field of executive compensation to assist the Committee with its evaluation of CEO or senior executive compensation. The Committee shall have the sole authority to retain and to terminate such experts, and to approve the experts' fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting, human resource, or other advisors.

### General

The Committee shall have the following additional powers and responsibilities:

1. Annually evaluating its own performance as well as overseeing the annual self-evaluation of the Board and Board committees.
2. Reviewing and reassessing the adequacy of this Charter annually and recommending any proposed changes to the Board for its approval.
3. Performing any other activities consistent with this Charter, the Company's Certificate of Incorporation, Articles and governing law, as the Committee or the Board deems necessary or appropriate.