



**Section**

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## **Compensation Committee Charter**

**(as adopted by the Board of Directors of the Corporation on 13 April 2006 and reviewed in November 2006)**

### **1. Purpose**

The purpose of the Compensation Committee is to:

- a) evaluate the CEO's, COO's and CFO's performance in light of the Corporation's corporate goals and objectives which are relevant to the CEO's scope of authority and, subject to any existing contractual obligations, determine (or make recommendations to the Board with respect to) the CEO's, COO's and CFO's compensation level based on this evaluation;
- b) make recommendations to the Board with respect to officer extraordinary bonuses, director compensation, incentive compensation plans and equity-based plans;
- c) review executive compensation disclosure before the Corporation publicly discloses this information; and
- d) establish and maintain a succession plan for the CEO and CFO as well as oversee the Company's overall execution succession planning strategy.

### **2. Composition and Qualification**

- a) The Compensation Committee shall consist of a minimum of three directors.
- b) All members of the Compensation Committee shall be independent directors (as defined in Section 4 of the Governance Manual).

### **3. Member Appointment and Removal**

- a) The Compensation Committee members are appointed by the Board on the recommendation of the Governance and Nominating Committee after consultation with the Chairman and with consideration of the desires of individual Board members.
- b) Consideration will be given to rotating the Compensation Committee members periodically depending on the size of the Board.
- c) The Compensation Committee Chairman is selected by the Board on the recommendation of the Governance and Nominating Committee.
- d) The Board may at any time remove a member from the Compensation Committee.

### **4. Meetings**

The Compensation Committee will meet at least once annually, or more frequently as circumstances may warrant. The Compensation Committee may meet with, and receive reports from, management.

A quorum for the transaction of business at all meetings of the Compensation Committee shall be a majority of members.

### **5. Position Description and Responsibilities for Chairman**

The Chairman of the Compensation Committee shall be an independent director appointed by the Board on the recommendation of the Governance and Nominating Committee on an annual basis following the election of the Directors at the Corporation's Annual General Meeting of shareholders.

The Chairman shall:

- (a) manage the Compensation Committee, in a manner that ensures relationships are effective and efficient and furthers the best interests of the Corporation;
- (b) act as the principal sounding board and counsel with respect to compensation issues;
- (c) ensure that the Board is aware of concerns of the Compensation Committee;
- (d) provide strong leadership of the Compensation Committee in reviewing and monitoring the aims, strategy, policy and directions of the Compensation Committee in order to achieve its objectives;

- (e) communicate with the Board to keep it current on all major developments involving executive compensation as it relates to the Corporation;
- (f) set the frequency of the Compensation Committee meetings and reviews such frequency as appropriate;
- (g) work closely with the Chairman and the Lead Independent Director (if any) to coordinate matters to be brought forth to Board Meetings from the Compensation Committee; and
- (h) chair and manage meetings of the Compensation Committee.

## **6. Mandate and Responsibilities**

The Compensation Committee shall review and make recommendations to the Board concerning the following:

- (a) the compensation of the CEO, COO and CFO;
- (b) extraordinary bonuses for officers;
- (c) the compensation policy with respect to employees of the Corporation or any of its subsidiaries ensuring that the Corporation is in compliance with all legal compensation reporting requirements;
- (d) management compensation programs including stock plans, incentive plans, and perquisites;
- (e) the succession plans and process for key employees;
- (f) performance appraisal and management and employee development programs;
- (g) contingency plans in the event of the unexpected disability of key employees;
- (h) proposed personnel changes involving officers;
- (i) the adequacy and form of compensation of directors, ensuring that compensation realistically reflects the responsibilities and risks involved in being an effective director;
- (j) the administration of the Corporation's Stock Option Plan; and

- (k) perform any other activities consistent with this Charter and Applicable Laws as the Compensation Committee or the Board deems necessary or appropriate.

The Compensation Committee shall have the authority to delegate any of its responsibilities to subcommittees or individual members as the Compensation Committee deems appropriate.

## **7. Authority**

The Compensation Committee shall have the authority:

- (a) to engage independent counsel and other advisors including, without limitation, executive compensation consulting firms, that it considers necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Compensation Committee for the purpose of carrying out its duties; and
- (c) to set and pay the ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties.

## **8. Reporting**

- a) The Compensation Committee has a duty to report to the Board all matters that it considers to be important for Board consideration.