

**TERMS OF REFERENCE
OF THE REMUNERATION COMMITTEE
OF THE BOARD OF DIRECTORS**

Composition

1. The Committee will be comprised of three directors of the Company, who are independent of the management of the Company, not employed by the Company, and are free of any relationship that would interfere with their exercise of independent judgment as a committee member.
2. The Board will appoint the committee annually, for a one year term.
3. The length of term to be served by directors on the Committee will be determined by the Board of Directors of the Company (the “Board”), giving consideration to the benefits of periodic rotation of committee memberships.
4. One of the members will be appointed Chairman of the Committee by the Board.
5. A Secretary of the Committee will be appointed by the Chairman of the Committee. The Secretary of the Committee may or may not be a member of the Committee.
6. The Committee may retain persons having special expertise to assist the Committee in fulfilling its responsibilities, subject to Board Approval and agreement of the Chief Financial Officer.
7. The members of the Committee should be listed each year in the Board’s remuneration report to shareholders.

Philosophy

1. The Company’s executive remuneration programme should provide incentives for the enhancement of shareholder value, for the successful implementation of the Company’s business plan and for continuous improvement in corporate and personal performance.
2. The overall objectives of the Company’s executive remuneration programme are:
 - (a) to align the interest of management with those of shareholders;
 - (b) to integrate executive remuneration with the Company’s business plan;
 - (c) to attract and retain qualified executives critical to the success of the Company;
 - (d) to provide fair and competitive remuneration; and
 - (e) to reward both corporate and individual performance.

Responsibilities

1. Act on behalf of the Board of Directors in reviewing remuneration policy; and to make recommendations to the Board on remuneration plans.
2. Review and recommend to the Board for approval, the remuneration to be paid to the Chief Executive Officer, Executive Directors and Senior Employees.
3. Ensure compliance with all securities regulatory requirements governing executive remuneration committees or executive remuneration reporting requirements of public companies.
4. Issue the Report on Executive Remuneration required in the Proxy Statement/Annual Management Information Circular/Annual Report and Accounts of the Company.
5. Undertake a periodic review of remuneration policies and of peer organizations to permit effective comparison with those of the Company, both to ensure compliance with securities legislation and to ensure the effectiveness of the Company's program.
6. Periodically review the adequacy and form of the remuneration of the directors to ensure the remuneration realistically reflects the responsibilities involved in being an effective director.
7. Undertake such specific project or duties as may from time to time be requested by the Board.
8. To the extent permitted by law, members of the Committee shall be fully protected in discharging their duty of care if they rely in good faith upon the records of the Company and upon information, opinions, reports or statements presented to the members of the Committee by any of the Company's officers or employees or other committees of the Board or by any officer of the person or other person as to matters which members of the Committee reasonably believe are within such persons professional expertise or competence.

Meetings

1. The Committee will meet at least once a year in person or by phone call, at which meeting the remuneration of the CEO will be reviewed. The meetings will be scheduled to permit timely consideration of topics or responsibilities. Additional meetings may be held as deemed necessary by the Chair of the Committee, or as requested by any member of the Committee. Meetings may be by telephone conference call if this is deemed appropriate.

Reporting

1. The minutes of all meetings of the Committee will be provided to the Board. Oral reports on recent matters not yet minuted will be provided to the Board by the Chairman.
2. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Chair of the Committee.