

MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE

Terms of Reference

PURPOSE

The Management Resources and Compensation Committee (the “**MRCC**”) has been established by the Board and under the powers delegated to it by the Board is mandated to ensure that the Company develops and implements long range plans and programs for attracting, retaining, developing, motivating, evaluating and compensating Management to provide the Company with a high level of strength, depth and continuity in its human resources in accordance with the Board Objective.

COMPOSITION AND TERM OF OFFICE

1. The MRCC shall consist of three (3) or more Directors, the majority of whom are independent within the meaning of NI 52-110 and all of whom are independent of management.
2. The Chair of the MRCC, along with the other members of the MRCC, shall be appointed annually by the Board following the AGM to hold office until the next AGM, unless the member becomes unable to serve or is removed by the Board. A casual vacancy may be filled and additional members of the MRCC may be appointed at any time by the Board, to hold office until the next AGM.

DUTIES AND RESPONSIBILITIES

The MRCC shall perform the following functions, as well as any other function specifically authorized by the Board:

1. Review and approve the Company’s Succession and Development Plan including:
 - a. identifying candidates for key management positions;
 - b. reviewing the training and development plans for candidates for key management positions, including potential assignments or reassignments; and
 - c. monitoring the progress of candidates for key management positions.
2. Recommend officer appointments for approval by the Board.
3. Review industry trends and changes in compensation policies and recommend changes as required to ensure the Company maintains competitive compensation levels.
4. Review and approve the compensation for all officers of the Company except the CEO, including benefits, bonuses, short and long term incentives. In the case of the CEO, the MRCC reviews and recommends approval by the Board.
5. Review and, if appropriate, recommend to the Board approval of the CEO’s Goals and Objectives and Position Description on an annual or other regular basis and ensure that they are aligned with the Mandate of the Board.

6. Monitor the CEO's performance relative to his or her Goals and Objectives and report the findings to the Board.
7. Review the status and policies of the Company's pension plans and the performance of the pension funds.
8. Review the Company's employee communication practices with respect to pension plans.
9. Review and approve proposed appointments of officers of the Company to the boards of other companies and organizations.
10. Review the Company's public disclosure of executive compensation information in its management information circular and any other documents prior to its dissemination.
11. Consider the implications of the risks associated with the Company's compensation policies and practices.

MEETINGS AND PROCEDURES

1. The MRCC shall schedule regular meetings and, subject to these Terms of Reference and applicable law, otherwise establish its procedures and govern itself as the members may see fit in order to carry out and fulfill its duties and responsibilities hereunder. Extraordinary meetings of the MRCC may be called at the request of a member on the MRCC or the Chair of the Board to be held at such times and places as the person calling such meeting may determine.
2. A majority of members of the MRCC will constitute a quorum. Decisions of the MRCC will be by an affirmative vote of the majority. In the event of an equality of votes, the Chair will not have a casting or deciding vote. The MRCC may also act by resolution in writing signed by all the members of the MRCC.
3. The MRCC shall appoint a Secretary to keep minutes or other records of its meetings and proceedings.
4. The Chair of the MRCC shall report to the Board at its next regular meeting the MRCC's deliberations and recommendations, if any, requiring the Board's approval.
5. The MRCC may invite Management as required, to attend MRCC meetings to provide appropriate information regarding compensation and the development of Management.

OTHER MATTERS

1. The MRCC is authorized to engage any outside advisor it deems necessary to enable it to carry out its duties and responsibilities and to arrange payment of the advisor's compensation by the Company.
2. The MRCC may, at the request of the Board, or at its own initiative investigate such other matters as it considers necessary in furtherance of the MRCC's purpose.

MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE

Annual Agenda Items

First Meeting of the Year

- Review MRCC and CEO Terms of Reference
- Review Information Circular Disclosure on Executive Compensation
- Review the CEO's performance in relation to his Goals and Objectives for the previous year
- Review CEO's Goals and Objectives for the current year
- Review competitiveness of compensation for CEO & Executives
 - Approve compensation changes for CEO and Executives
 - Approve proposed short term incentives and changes to individual targets for CEO & Executives
 - Approve proposed long term incentives and changes to individual targets for CEO & Executives
- Approve annual STIP Target
- Review SERP plan rates
- Ongoing Items

Second Meeting of the Year

- Overview of suitability, effectiveness and risk of compensation programs
- Review status of shareholding guidelines
- Ongoing Items

Third Meeting of the Year

- Review and approve current Management positions and the Succession and Development Plan
- Review results of Board Evaluation (if any)
- Review Pension Plan Report
- Preview of First Meeting of the Year compensation items
- Ongoing Items