



## **COMPENSATION COMMITTEE CHARTER** **(the "Charter")**

### **Purpose**

The role of the Compensation Committee (the "Committee") is to assist the Board in fulfilling its responsibilities relating to executive compensation and incentive programs designed to attract, retain and motivate the executive officers of the Company. The Committee will also review and recommend to the Board the framework, policy and remuneration for the Non-Employee Directors. The Committee will provide oversight to ensure that all of the Company's compensation and incentive programs are competitive, closely related to the achievement of corporate objectives and aligned with long-term interests of the shareholders.

The Committee shall provide the Compensation Committee Report as required by the Securities and Exchange Commission ("SEC") and included in the Company's proxy statement or annual report on Form 10-K in accordance with applicable rules and regulations.

The Committee will faithfully adhere to the policies and procedures for Compensation Committees as promulgated from time to time by the SEC and the NASDAQ.

The Committee shall evaluate its performance periodically, and at least every two years, and shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

### **Organization**

The Committee shall be composed of at least two directors, with suitable and relevant experience in this field. All members of the Committee shall be independent directors, who satisfy the applicable independence requirements of the NASDAQ Stock Market, as amended from time to time and any other regulatory requirements.

All members of the Committee shall be appointed by the Board of Directors. The Board of Directors will designate one of the members to be Chairman of the Committee. All members shall also be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934.

No member of the Committee will accept either directly or indirectly any consulting, advisory or other compensation fee from the Company or any subsidiary of the Company. Compensation fees however shall not include:

- i. Fees received as a member of the Committee, the Board or any other Board committee
- ii. Receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company, provided that any such compensation is not contingent in any way on continued service

In determining whether a director is eligible to serve on the Committee, the Board will also consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director's judgement as a member of the Committee.

Committee members shall continue to act until their successors are appointed by the Board and shall be subject to removal at any time by a majority of the Board.

### **Meetings**

The Committee shall meet at least two times annually, or more frequently as circumstances dictate and at such other times as deemed necessary by the Chairman of the Committee.

The Committee shall keep regular minutes of its meetings and report to the Board on its actions and recommendations.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee may from time to time delegate any of its duties or responsibilities to a sub-committee made up of one or more Committee members.

### **Key Responsibilities**

The Committee shall have the following authority and responsibilities:

1. To review and recommend to the Board the total compensation for the Non-Employee Directors of the Company.
2. To review and approve corporate goals and objectives relevant to Chief Executive Officer compensation, to evaluate the Chief Executive Officer's performance in the light of those goals and together with the other independent directors (as directed by the Board), to determine and approve the Chief Executive Officer's annual compensation level, based on this evaluation, including salary, bonus, incentive and equity compensation. The Chief Executive Officer will not be present during any discussion or decision regarding his compensation.
3. To review and make recommendations to the Board on an annual basis the evaluation process and compensation structure for the Company's Officers. The Committee shall review the recommendations of the Chief Executive Officer on the performance of the senior executive officers and shall recommend to the Board the annual compensation, including salary, bonus, incentive and equity compensation, for senior Officers who report directly to him. The committee shall also provide oversight of management's decisions concerning the performance and compensation of other Company officers.

The Committee shall approve the terms of any employment agreements, severance agreements or change to employment agreements between the Company and its senior executive officers.

4. To review and make recommendations to the Board regarding benefit plans which pertain to the senior executive officers who report to the Chief Executive Officer.
5. To review the Company's incentive compensation and other stock-based plans and recommend changes in such plans to the board as needed. The Committee shall have and shall exercise all the authority of the board of directors with respect to the administration of such plans.
6. To retain consultants, from time to time, in its sole discretion, to advise the Committee on executive compensation practices, policies and/or any other matters within the charter of the Committee. The Compensation Committee shall also have sole authority to obtain any advice and assistance from internal or external legal, accounting or other advisers.
7. To review and make recommendations to the Board on any additional actions authorized by the Board.

### **Advisors to the Committee**

If the Committee chooses to retain or obtain the advice of a compensation consultant, legal counsel or other advisor, the following shall apply:

1. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor retained by the Committee
2. The Company shall be responsible for payment of reasonable compensation, as determined by the Committee, to any compensation consultant, legal counsel or other advisor retained by the Committee,

In selecting or receiving advice from a compensation consultant, legal advisor or other advisor to the Committee, the Committee will take into account the following factors

- a. the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- b. the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- c. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- d. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- e. any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- f. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee is required to consider the independence factors outlined above and conduct an independence assessment before selecting or receiving advice from a compensation consultant. However, having considered the independence factors, the Committee may select or receive advice from any compensation consultant it prefers, including those not considered independent.

Nothing in this Charter shall be construed to:

- require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other advisor to the Committee: or
- affect the ability or obligation of the Committee to exercise its own judgement in fulfilment of the duties of the Committee

For the purposes of this Charter, the Committee is not required to conduct an independence assessment for a compensation consultant who acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K:

- consulting on any broad based plan which does not discriminate in scope, terms or operation, in favour of executive officers or directors of the Company and that is generally available to all salaried employees: .and/or
- providing information that is either not customized for a particular issuer or that is customized based on parameters that or not developed by the consultant and about which the consultant does not provide advice