

# CHARTER OF THE COMPENSATION AND NOMINATION COMMITTEE

## PC GOLD INC. (the “Corporation”)

### I. Purpose

The Compensation and Nomination Committee is a committee of the Board of Directors which assists the Board in discharging its responsibilities relating to executive and other human resources hiring, assessment, compensation and succession planning, proposing new Board nominees and assessing the effectiveness of the Board and its committees, their respective chairs and individual directors. For the purposes of its mandate, the Compensation and Nomination Committee will review all aspects of compensation paid to the directors, committee members, management and other employees to ensure that the Corporation’s compensation programs are competitive and that the Corporation is in a position to attract, motivate and retain the quality of personnel required to meet its business objectives.

### II. Composition

Members of the Compensation and Nomination Committee are appointed and removed by the Board of Directors. The Board shall designate annually the Compensation and Nomination Committee and a Chairman of the Compensation and Nomination Committee. The Compensation and Nomination Committee will be comprised of at least three directors, each of whom qualifies as an independent director, as determined by the Board<sup>1</sup>. All members should have skills and/or experience which are relevant to the mandate of the Committee, as determined by the Board.

### III. Responsibilities

The responsibilities of the Compensation and Nomination Committee shall generally include, but not be restricted to, undertaking the following:

*With respect to compensation matters:*

- (a) Recommending to the Board senior management appointments and the terms and conditions of their appointment and retirement or termination.
- (b) Monitoring and evaluating the performance of members of senior management, including reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO’s performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO’s compensation level based on this evaluation.
- (c) Reviewing and making recommendations to the Board of Directors with respect to the Corporation’s compensation and benefit programs for directors, senior management and employees, including director fees, base salaries, bonuses and incentive plans, deferred compensation and retirement plans and share purchase or issuance plans including stock options and/or restricted share rights. As part of its review process, the Compensation and

---

<sup>1</sup> Determined in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Multilateral Instrument 52-110 – *Audit Committees*.

Nomination Committee will review peer group and industry compensation data reported through surveys and other sources.

- (d) Reviewing and making recommendations to the Board of Directors with respect to the implementation or variation of stock option or restricted share rights plans, share purchase plans, compensation and incentive plans and retirement plans. Further, the Compensation and Nomination Committee will ensure proper administration of the Corporation's existing share incentive plan, including the granting, or making recommendations with respect to the granting, of options or restricted share rights. The number of options granted or restricted share rights issued will give consideration to the potential contribution an individual may make to the success of the Corporation.
- (e) Reviewing executive compensation disclosure by the Corporation before it is publicly disclosed, including the annual report on executive compensation for inclusion in the Corporation's management information circular, in accordance with applicable laws, rules and regulations.
- (f) Taking all reasonable measures to ensure that appropriate human resources systems, such as hiring policies, competency profiles, training policies and compensation structures, are in place so that the Corporation can attract, motivate and retain the quality of personnel required to meet its business objectives.
- (g) Maintaining an assessment and compensation philosophy that rewards the creation of shareholder value.
- (h) Monitoring any strategic labour issues that need to be addressed.

***With respect to Board composition, succession planning and directors' compensation:***

- (a) Monitoring the size and composition of the Board to ensure effective decision-making.
- (b) Developing and reviewing criteria for selecting directors by regularly assessing the qualifications, personal qualities, business background and diversified experience of the Board and the Corporation's needs.
- (c) Identifying candidates qualified to become Board members and recommending nominees for election at the next annual meeting of shareholders.
- (d) Assisting the Board in determining board committee membership.
- (e) Making recommendations to the Board on directors' compensation.
- (f) Reviewing and monitoring the organization and conduct of Board and committee meetings.
- (g) Reviewing periodically the mandates of the Board and its committees.
- (h) Developing and monitoring appropriate processes for the periodical performance assessment of the Board, Board committees, Board and committee chairs and individual directors.

#### **IV. Meetings and Advisors**

The Committee will meet as often as it deems necessary or appropriate to perform its duties and to carry out its responsibilities described above in a timely manner, but not less than two times a year. The quorum at any meeting of the Committee shall be a majority of its members. All such meetings shall be held pursuant to the By-Laws of the Corporation with regard to notice and waiver thereof. Meetings of the Committee may be with appropriate representatives of management, either individually or collectively as may be required by the Chairman of the Committee. Written minutes of each meeting of the Committee shall be filed in the Corporation's records. The Chairman of the Committee will report periodically to the Board of Directors.

The Compensation and Nomination Committee shall, in appropriate circumstances and subject to advising the Chairman of the Board, have the authority to engage and obtain advice and assistance from advisors, including independent or outside legal counsel and shall have sole authority to retain and/or terminate a compensation consulting firm. The Compensation and Nomination Committee shall have the sole authority to approve the fees and other retention terms of any such engagement, as it determines is necessary or appropriate to carry out its duties. All related fees and costs of such advisors shall be paid promptly by the Corporation in accordance with its normal business practices.

#### **V. Disclosure of Charter**

This charter shall be published in the Corporation's annual information form or information circular as required by applicable securities laws.

---

Nothing contained in this charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Compensation and Nomination Committee.