

# **MAWSON RESOURCES LIMITED**

## **COMPENSATION COMMITTEE CHARTER**

*(Adopted by the Board of Directors on June 22, 2012)*

### **I. GENERAL**

#### **1. Purpose of the Committee**

The purpose of the Compensation Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Mawson Resources Limited (the “**Company**”) in overseeing compensation and succession planning matters, including the Board’s responsibilities of:

- (a) appointing, compensating and evaluating and planning for the succession of officers and other senior management personnel of the Company; and
- (b) approving the Company’s annual compensation budget.

#### **2. Authority of the Committee**

- (a) The Committee has the authority to delegate to individual members or subcommittees of the Committee.
- (b) The Committee has the authority to engage and compensate any outside advisor, including compensation consultants and legal counsel, that it determines to be necessary or advisable to permit it to carry out its duties. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any advisors engaged by the Committee. The Board shall provide the Committee with appropriate funding, as determined by the Committee, for payment of reasonable compensation to any advisors engaged by the Committee. Any engagement of advisors by the Committee shall comply with all applicable securities legislation, corporate laws and the rules of any exchange on which the Company’s securities are listed for trading.

### **II. PROCEDURAL MATTERS**

#### **1. Composition**

The Committee will be composed of a minimum of 2 members.

#### **2. Member Qualifications**

- (a) Every Committee member must be a director of the Company.
- (b) Every Committee member must be “independent” as that term is defined in applicable securities legislation and exchange guidelines.
- (c) All members of the Committee will meet all requirements and guidelines for compensation committee service as specified in applicable securities and corporate laws and the rules of any exchange on which the Company’s securities are listed for trading.

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

Members of the Committee will be appointed from time to time and will hold office at the pleasure of the Board.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee, and will be filled by the Board if the membership of the Committee falls below 2 directors.

### **4. Committee Structure and Operations**

#### **(a) Chair**

The Board may appoint one member of the Committee to act as Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

If no Chair is elected, or if the Chair of the Committee is not present within 15 minutes after the time set for holding the meeting, the Committee will select one of the other members of the Committee to preside at that meeting.

#### **(b) Meetings**

The Chair of the Committee will be responsible for developing and setting the agenda for Committee meetings, and determining the time, place and frequency of Committee meetings. However, the Committee will meet at least twice per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair or any two members of the Committee may call a meeting.

#### **(c) Notice**

Notice of the time and place of every meeting will be given in writing or by e-mail or facsimile communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

#### **(d) Quorum**

A majority of the Committee will constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by telephone or other communications medium if all directors participating in the meeting, whether by telephone, by other communications medium or in person, are able to communicate with each other.

#### **(e) Attendees**

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of matters relating to the Committee. During each meeting of the Committee, the Committee will meet with only Committee members present in person or by other permitted means.

(f) **Secretary**

The Committee will appoint a Secretary to the Committee who need not be a director or officer of the Company.

(g) **Records**

Minutes of meetings of the Committee will be recorded and maintained by the Secretary to the Committee and will be subsequently presented to the Committee for review and approval.

**5. Committee and Charter Review**

The Committee will conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee will conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee will also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines recommended by regulators or any exchange on which the Company's securities are listed for trading and will recommend changes to the Board thereon.

**6. Reporting to the Board**

The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board. The Committee will circulate to the Board copies of the minutes of each meeting held.

**III. RESPONSIBILITIES**

**1. General**

The Committee is responsible for:

- (a) reviewing the Company's overall compensation philosophy;
- (b) addressing matters related to compensation of the Chief Executive Officer (the "CEO");
- (c) making recommendations to the Board with respect to non-CEO and director compensation, incentive-compensation plans and equity-based plans;
- (d) reviewing executive compensation disclosure before the Company publicly discloses this information; and
- (e) performing any other duties or responsibilities expressly delegated to the Committee by the Board from time-to-time relating to the Company's compensation programs.

**2. CEO Compensation**

With respect to compensation of the CEO, the Committee is responsible for:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation;
- (b) evaluating the CEO's performance in light of those corporate goals and objectives; and
- (c) determining or making recommendations to the Board with respect to the CEO's compensation level based on this evaluation.

In determining the long-term incentive component of the compensation of the CEO, the Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive compensation given to CEO's at comparable companies and the compensation given to the CEO in past years.

### **3. Annual Review of CEO Compensation**

The Committee shall annually review and assess the competitiveness and appropriateness of the compensation package of the CEO. In conducting such review, the Committee shall consider:

- (a) the compensation package of the CEO for the prior year;
- (b) the Committee's evaluation of the performance of the CEO;
- (c) the Company's performance and relative shareholder return, as well as other key measures of performance;
- (d) whether the compensation package reflects an appropriate balance between salary and incentive compensation, as well as the mix between short and longer-term incentives to improve performance of the Company;
- (e) the competitiveness of the compensation package, including the value of similar incentive awards and benefits such as pensions and supplementary executive retirement plans, paid to equivalent officers and positions at comparable companies;
- (f) the impact of the level and form of awards on the Company and its shareholders from a tax, accounting, cash flow and dilution perspective; and
- (g) the awards given to the CEO.

The CEO shall not be present during any deliberations or voting by the Committee related to the CEO's compensation.

### **4. Compensation of Non-CEO Officers**

With respect to compensation of non CEO-officers, the Committee is responsible for:

- (a) recommending the process and criteria to be used to evaluate the performance of non-CEO officers;
- (b) reviewing and approving the performance evaluations of the Company's non-CEO officers; and
- (c) approving the individual compensation packages provided to non-CEO officers.

The Committee should consider all forms of remuneration when determining the level of compensation paid to non-CEO officers, including long-term incentives and benefits. The Committee should also consider information regarding other companies, the nature of the Company's business, the need to obtain qualified individuals, short-term and long-term performance goals and actual performance and shareholder returns and evaluations and compensation in previous years.

## **5. Compensation of Directors**

The Committee will, on an annual basis:

- (a) review the adequacy, amount and form of the compensation to be paid to each director;
- (b) consider whether that compensation realistically reflects the time commitment, responsibilities and risks of the directors; and
- (c) make recommendations to the Board based on this review and analysis.

The Committee may also make recommendations to the Board on minimum share ownership requirements for directors of the Company.

## **6. Incentive-Compensation Plans**

- (a) With respect to incentive-compensation plans, the Committee is responsible for:
  - (i) making recommendations to the Board with respect to the adoption and amendment of executive incentive-compensation plans; and
  - (ii) approving all CEO and non-CEO officer incentive bonus plans and all awards under such plans.

## **7. Equity-Based Plans**

With respect to equity-based plans, the Committee is responsible for periodically reviewing and making recommendations to the Board regarding equity-based compensation plans that the Company establishes for, or makes available to, its employees and/or consultants, including the designation of those who may participate in such plans, share and option availability under such plans and the administration of share purchases thereunder. To the extent delegated by the Board, the Committee shall approve all awards under equity-based compensation plans, including stock option plans, established by the Company.

In addition, the Committee will review periodically the extent to which these forms of compensation are meeting their intended objectives, and will make recommendations to the Board regarding modifications to more accurately relate such compensation to employee performance.

## **8. Disclosure**

With respect to disclosure, the Committee is responsible for:

- (a) obtaining advice on and tracking disclosure requirements related to executive compensation disclosure;
- (b) reviewing executive compensation disclosure information before the Company publicly discloses this information; and

- (c) in particular, reviewing the “Executive Compensation” and “Indebtedness” sections and preparing the “Report on Executive Compensation” section of the management information circular (or similarly captioned disclosure) or other regulatory filings.