

# **ABACUS MINING & EXPLORATION CORPORATION**

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## **COMPENSATION COMMITTEE CHARTER**

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### **1. PURPOSE**

The primary functions of the Compensation Committee (the “Committee”) of Abacus Mining & Exploration Corporation (the “Company”) are to:

- (a) develop or approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”);
- (b) evaluate the CEO’s performance in light of the corporate goals and objectives and determine, or make recommendations to the board of directors of the Company (the “Board”) with respect to, the CEO’s compensation level based on this evaluation;
- (c) make recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and
- (d) review executive compensation disclosure before the issuer publicly discloses this information.

Where possible, the Committee should be composed entirely of “independent” directors, as such term is defined in National Instrument 52-110, *Audit Committees*, as may be amended or replaced from time to time.

### **2. MEMBERSHIP AND OPERATIONS**

Committee members shall serve until qualified successors are duly designated and appointed by the Board. Any member may be removed at any time, with or without cause, by a majority of the Board then in office. Any vacancy in the Committee occurring for any cause may be filled by a majority of the Board then in office.

The Committee’s chairperson shall be designated by the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

The Committee may form and delegate authority to subcommittees when appropriate.

### **3. AUTHORITY**

The Board of Directors has granted the Committee the authority herein provided. The Committee has been, and shall be, granted unrestricted access to all information and all employees have been, and shall be, directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Company's expense, persons having special competencies (including, without limitation, legal, accounting, compensation or other consultants and experts) to assist the Committee in fulfilling its responsibilities. The Committee has the sole authority to terminate the Committee's engagement of its experts in the field of executive compensation and to approve the fees and other terms of retention of such experts.

Each of the lead executives responsible for human resources and internal audit shall have direct and unrestricted access to the Committee as well as the opportunity to meet with the entire Board.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under provincial or federal law for directors of a company.

### **4. RESPONSIBILITIES**

In discharging its responsibilities, the Committee shall have the sole authority to, and shall, do the following:

- 4.1 Review from time to time and approve the overall management evaluation and compensation policies of the Company, including, in particular, policies applicable to the Company's executive officers, to ensure that management is rewarded appropriately for its contributions to the Company's growth and profitability and that such compensation policies are aligned with the Company's objectives and shareholder interests.
- 4.2 Review and approve goals and objectives relevant to the compensation of the CEO.
- 4.3 Evaluate the performance of the CEO in light of the above-referenced goals and objectives.
- 4.4 If authorized by the Board in advance, set the compensation of the CEO based on the above-referenced evaluation (otherwise, recommend to the Board the appropriate compensation for the CEO).
- 4.5 Review and approve the compensation for executive officers of the Company other than the CEO.
- 4.6 Review, approve and periodically evaluate the Company's compensation and other benefit plans, including incentive compensation and equity-based plans and programs for

executive officers and senior management, and make recommendations as necessary. Review and approve any amendments and modifications to any such plan or program requiring approval of the Board of Directors, subject always to applicable shareholder approval requirements.

- 4.7 Review, approve and periodically evaluate compliance with the Company's executive share ownership guidelines.
- 4.8 Establish rules and regulations and perform all other administrative or management duties required of the Board or the Committee by the provisions of any compensation or benefit plan maintained by the Company.
- 4.9 Review and approve the granting of options, restricted stock, stock appreciation rights and other equity-based grants to the Company's executive officers and senior management consistent with the Company's incentive compensation plans and programs and compensation and retention strategy.
- 4.10 Review, approve and periodically evaluate the compensation and benefits for the Company's non-employee directors.
- 4.11 Review and approve plans of the Company for management development and senior managerial succession.
- 4.12 Make an annual report to the Board on succession planning which should include policies and principles for CEO selection and performance review as well as policies regarding succession in the event of an emergency or the retirement of the CEO.
- 4.13 If applicable, oversee compliance with the applicable compensation reporting requirements of the relevant securities regulatory authorities.
- 4.14 Conduct an annual performance self-evaluation of the Committee.
- 4.15 Apprise the Board regularly of significant developments in the course of performing the above duties, including reviewing with the full Board any issues that arise.
- 4.16 Review and reassess the adequacy of this Charter on a regular basis and submit any proposed revisions to the Board for consideration and approval.

***Approved and Adopted by the Board Effective April 28, 2008.***