



**REDKNEE SOLUTIONS INC.**  
**(the "Company")**

**CHARTER**

**FOR THE COMPENSATION COMMITTEE**

**1. Constitution and Purpose**

- 1.1 The Committee shall be established by resolution of the Board of the Directors of the Company and shall be known as the Compensation Committee (the "Committee"). The purpose of the Committee is to assist the Board in carrying out its responsibilities by reviewing the CEO and non-CEO executive officers (the Executives) compensation in support of the achievement of the Company's business strategy and making recommendations to the Board as appropriate:

**2. Membership**

- 2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the "**Directors**") and shall comprise not less than two members. All of the members of the Committee shall be independent Directors, as that term is defined under applicable law.
- 2.2 The Chairman of the Committee, who shall be an independent non-executive Director, shall be appointed by the Board, which shall determine the period for which he/she shall hold office.
- 2.3 Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.
- 2.4 A quorum for decisions of the Committee shall be two members.

**3. Attendance at meetings**

- 3.1 The Committee may at each meeting appoint one of their number, or the Company's Secretary, to be the Secretary of the Committee.
- 3.2 The Committee is authorised by the Board to invite the Chief Executive Officer and/or Chief Human Resources Officer of the Company and, if appropriate, such other members of management as considered necessary, to attend and speak at meetings (or parts thereof) of the Committee.

#### **4. Frequency of meetings**

- 4.1 Meetings shall be held not less than twice a year and at such other times as the Chairman of the Committee shall require. The Board or any member of the Committee may request a meeting if they consider that one is necessary.
- 4.2 At least seven days' notice of any meeting of the Committee shall be given, although such notice may be waived or shortened with the consent of all the members of the Committee for the time being.

#### **5. Authority**

- 5.1 The Committee is authorized by the Board to investigate any matter within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Committee.
- 5.2 The Committee is authorised by the Board to obtain, at the cost of the Company, outside professional advice if it considers this appropriate. In obtaining outside advice, the Committee will act in consultation with the Chairman of the Company.

#### **6. Duties**

- 6.1 The duties of the Committee shall be:
- (a) to consider and recommend to the Board the framework or broad policy for the compensation of the Executives (including pension rights and compensation payments);
  - (b) to consider and recommend to the Board for approval the compensation of the CEO, including salary, bonus, long term incentives and material benefits;
  - (c) to consider and approve the basic salary paid to the Executives and any recommendations made by the CEO of the Company for changes to that basic salary;
  - (d) upon recommendation of the CEO, to consider and approve any bonuses to be paid to the Executives and, in respect of any element of compensation of an Executive which is performance related, to formulate suitable performance related criteria and monitor their operation;
  - (e) upon recommendation of the CEO, to advise on and determine all performance-related formulae and targets relevant to the compensation of the Executives and to consider the eligibility of Executives for annual bonuses and benefits under long term incentive schemes;
  - (f) to review and approve disclosure of compensation, including pensions, as required by law or stock exchange regulation, are fulfilled and to consider and make recommendations to the directors of the Company concerning disclosure of the detail of Compensation packages and structures in addition to those required by law or by stock exchange regulation;

- (g) to consider other material benefits granted to the Executives and any recommendations of the CEO for changes in those benefits;
  - (h) upon recommendation by the CEO, to determine the policy for and scope of the pension arrangements applicable to the Executives;
  - (i) to provide oversight to the appointment and termination of the Executives by the CEO;
  - (j) upon recommendation by the CEO, to consider and determine the terms of the service contracts of the Executives and any proposed material changes to these contracts, including contractual terms on termination;
- 6.2 Periodically review the adequacy and form of the compensation of Independent Directors and report and make recommendations to the Board accordingly.
- 6.3 In consultation with the Audit Committee, provide oversight with respect to compensation and retention issues (including appointment and termination) regarding, if applicable, the head of Internal Audit.
- 6.4 Upon recommendation by the CEO, approve all management incentive plans tied to performance.

## **7. Share Option Plan**

- 7.1 To make recommendations to the Board as to all aspects of any share option scheme operated by or to be established by the Company including but not limited to (subject always to the rules of that scheme and any applicable legal and stock exchange requirements):
- (a) the selection of those eligible Executives and employees of the Company and its subsidiary companies to whom options should be granted;
  - (b) the timing of any grant;
  - (c) the numbers of shares over which options are to be granted;
  - (d) the exercise price at which options are to be granted; and
  - (e) the imposition of any objective condition which must be complied with before any option may be exercised;

## **8. Procedures**

- 8.1 The Secretary of the Committee shall circulate the minutes of the meetings of the Compensation Committee to all members of the Board.
- 8.2 The Committee shall conduct an annual self-assessment of its performance and this Charter shall make recommendations to the Board with respect thereto.
- 8.3 New Compensation Committee members shall be provided with an orientation program to educate them on the Company, their responsibilities, and the Company's compensation practices.