



## **ATACAMA PACIFIC GOLD CORPORATION.**

### **CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

#### **(1) PURPOSE**

The Compensation Committee is a committee of the Board of Directors of Atacama Pacific Gold Corporation. (the “Company”) with the primary function to assist the Board of Directors in fulfilling its oversight responsibilities by:

- (a) Reviewing and approving and then recommending to the Board of Directors salary, bonus, and other benefits, direct or indirect, and any change of control packages of the Chief Executive Officer and other members of the senior management team;
- (b) Reviewing compensation of the Board of Directors on an annual basis;
- (c) Administration of the Company’s compensation plans, including stock option plans, and such other compensation plans or structures as are adopted by the Company from time to time;
- (d) Review of trends in employment benefits;
- (e) Establishment and periodic review of the Company’s policies in the area of management benefits and perquisites.

#### **(2) COMPOSITION AND MEETINGS**

The Compensation Committee shall be comprised of at least three directors, at least two of whom shall be an “independent director”, meaning he or she has no direct or indirect material relationship with the Company, in accordance with National Policy 58-201 *Corporate Governance Guidelines*. Each member will have skills and/or experience which are relevant to the mandate of the Compensation Committee.

The members of the Compensation Committee shall be elected by the Board of Directors at the annual organizational meeting of the Board of Directors or until their successors are duly elected and qualified. Unless a Chair is elected by the full Board of Directors, the members of the Compensation Committee may designate a Chair by majority vote of the full membership of the Compensation Committee.



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The Compensation Committee shall meet once annually or more frequently as circumstances require, without management being present. The Committee may ask members of management or others to attend meetings or to provide information as necessary. The Compensation Committee may retain and terminate the services of outside compensation specialists and other advisors to the extent required, and shall have the sole authority to approve their fees and other retention terms. The Company shall provide for appropriate funding, as determined by the Committee, for payment to any compensation specialist or other advisors retained by the Committee, search firms, counsel or other consultants.

Quorum for the transaction of business at any meeting of the Compensation Committee shall be a majority of the number of members of the Compensation Committee or such greater number as the Compensation Committee shall by resolution determine.

Meetings of the Compensation Committee shall be held from time to time as the Compensation Committee or the Chairman of the Compensation Committee shall determine upon 24 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.

### (3) RESPONSIBILITIES AND DUTIES

Responsibilities and duties of the Compensation Committee include:

- (a) Reviewing and revising this Charter as necessary with the approval of the Board of Directors.
- (b) Providing periodic reports to the Board of Directors on compensation matters.
- (c) Reviewing and making recommendations to the Board of Directors upon the recommendation of members of senior management with respect to the Company's overall compensation and benefits philosophies and programs for employees, including base salaries, bonus and any incentive plans, deferred compensation and retirement plans and share purchase or issuance plans including stock options. As part of its review process, the Compensation Committee may review peer group and other mining industry compensation data reported through surveys and other sources.
- (d) Reviewing and making recommendations to the Board of Directors with respect to the Company's compensation and benefit programs for the Chief Executive Officer and other senior officers of the Company including base salaries, bonuses or other performance incentives and stock options. In setting the Chief Executive Officer's salary, the Compensation Committee will take into consideration salaries paid to chief executive officers in the mining industry. The Chief Executive Officer's contribution towards the



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Company's achievement of business goals and objectives for the previous financial year will form the basis for the Compensation Committee's recommendations concerning bonus or other performance recognition awards.

- (e) Reviewing and making recommendations to the Board of Directors with respect to the implementation or variation of the stock option plan. The number of options granted will give consideration to the potential contribution an individual may make to the success of the Company.
- (f) The Compensation Committee shall ensure that it reviews all executive compensation disclosure before it is publicly disclosed.
- (g) The Compensation Committee is responsible for reviewing and recommending to the Board the compensation of the Board of Directors including, annual retainer, meeting fees, option grants and other benefits conferred upon the Board of Directors.
- (h) The Compensation Committee is responsible for viewing and submitting to the Board of Directors as a whole, recommendations concerning executive compensation and compensation plan matters. Unless such matters are delegated specifically to the Compensation Committee, the Compensation Committee shall only make recommendations to the Board of Directors for their consideration and approval, if appropriate. The Board of Directors will have the responsibility to instruct management to implement the directives.