

NANOXPLORE INC. (the “Corporation”)

HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

1. PURPOSE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE (the “Compensation Committee”)

1.1 The Compensation Committee will assist the Board of Directors in fulfilling its responsibilities to the Corporation’s shareholders, potential shareholders and the investment community in the areas of human resources and compensation. The Compensation Committee’s primary responsibilities and duties are to assist the Board of Directors with its oversight responsibilities by reviewing and reporting on:

- (a) Compensation philosophy of the organization, including a compensation strategy and compensation policies for executives, the design and administration of short and long-term incentive plans, stock option or stock appreciation rights plans, and other benefits and perquisites as may be proposed by the Chief Executive Officer or developed independently;
- (b) Compensation for executive officers;
- (c) Employment and termination arrangements for senior executive officers;
- (d) Adoption of new or significant modifications to pay and benefit plans;
- (e) Significant changes to the Corporation’s organizational structure relating to human resources functions;
- (f) The Committee’s proposed executive compensation report to be contained in the Corporation’s annual Management Proxy Circular;
- (g) Management development programs for the Corporation;
- (h) Any special employment contracts or arrangements with executive officers of the Corporation including any contracts relating to a change of control;
- (i) Compliance by the Corporation and its subsidiaries with all applicable employment and labour legislation; and
- (j) The performance of the Committee and the effectiveness of the Committee’s members.

The Compensation Committee will also conduct such other duties as may be assigned by the Board. With respect to the exercise of its duties and responsibilities, the Compensation Committee should:

- (a) exercise the care, diligence and skill that a reasonably prudent person would exercise gathering and considering all material information;
- (b) remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
- (c) understand and weigh alternative courses of conduct that may be available;
- (d) focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;

- (e) if the Compensation Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining consultants or others to assist the Committee in fulfilling its duties and responsibilities; and
- (f) provide management with appropriate opportunities to meet privately with the Compensation Committee.

Nothing in this Charter is intended, or should be determined, to impose on any member of the Compensation Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject at law.

2. COMPOSITION AND MEETINGS

- 2.1 The Compensation Committee shall be comprised of at least two directors, each of whom shall be an independent director, who is unrelated and free of any relationship that in the opinion of the Board of Directors would interfere with his or her exercise of independent judgment as a committee member.
- 2.2 The Compensation Committee will have a Chairperson nominated or approved by the Board of Directors from time to time as the Board of Directors sees fit.
- 2.3 A quorum for any meeting of the Compensation Committee shall be a majority or all if only two of its members.
- 2.4 The Compensation Committee shall meet at least once annually and more frequently as circumstances may dictate. The Chairperson shall prepare and/or approve of an agenda in advance of each meeting. The Compensation Committee should meet privately in executive session at least annually with management.
- 2.5 The Compensation Committee shall be empowered to retain, at the expense of the Corporation, independent legal counsel, accountants or other consultants to assist it in the conduct of its Mandate.