

**NAMIBIA RARE EARTHS INC.**  
**COMPENSATION COMMITTEE CHARTER**

**1. PURPOSE**

The Compensation Committee ("**Committee**") is a standing committee of the board of directors ("**Board**") of Namibia Rare Earths Inc. ("**Corporation**") hereby constituted with all the powers and duties conferred on it by the laws governing the Corporation and such powers and duties as may be conferred on it from time to time by resolution of the Board.

**2. COMMITTEE MEMBERSHIP**

- 2.1. The Board shall annually appoint a minimum of two (2) directors to the Committee, both of whom shall be independent of management and free from any material relationship which, in the opinion of the Board, would interfere with the director's exercise of independent judgment as a member of the Committee.
- 2.2. Members of the Committee shall be appointed at the first meeting of the Board held following the annual general meeting of the Corporation.
- 2.3. Any member may resign from the Committee and may be removed and replaced by the Board at any time. A Committee member may resign by providing notice in writing or by electronic transmission to the Corporation's secretary. Such resignation shall take effect upon receipt thereof or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 2.4. A member of the Committee will automatically cease to be a member at such time as that individual ceases to be a director of the Corporation.

**3. CHAIR OF THE COMMITTEE**

- 3.1. The Board shall in each year appoint a chair of the Committee ("**Chair**") from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member to act as interim Chair.
- 3.2. The Chair shall have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and shall, in any event, advise all other members of any decisions made or powers exercised as soon as practicable thereafter.
- 3.3. The Chair shall be responsible to:
  - (a) ensure the Committee meets regularly and performs its duties as set out herein; and
  - (b) report to the Board on the activities of the Committee.

#### **4. RESPONSIBILITIES**

The Committee shall discharge the following responsibilities to review, monitor and, where specified, approve matters relating to the compensation and development of the Corporation's Chief Executive Officer ("CEO") and senior executives:

- (a) review the Corporation's management compensation philosophy, policies, plans and guidelines annually and approve corporate goals and objectives relevant to the compensation of the CEO and senior executives;
- (b) review the remuneration and ad hoc compensation plans (base pay, incentive plans and equity-based pay) on an annual basis;
- (c) review the remuneration package for the CEO and senior executives on an annual basis and recommend changes, if any, to the Board. In making recommendations, the Committee shall:
  - (i) consider the individual's performance measured against his or her goals and performance objectives;
  - (ii) consider the remuneration and incentives paid to senior executives at comparable companies; and
  - (iii) consider the recommendations of the CEO with respect to the compensation and benefits package for senior executives other than the CEO;
- (d) review any proposals concerning the Corporation's Incentive Stock Option Plan or any other equity compensation plans including grant proposals for approval by the Board and, as appropriate, by the shareholders.
- (e) to review management's recommendations, if any, for proposed incentive compensation plans and equity-based plans and make recommendations in respect thereof to the Board;
- (f) ensure the proper administration of any stock option, stock purchase or stock ownership plans;
- (g) review and recommend all executive benefits plans and executive perquisites for approval by the Board;
- (h) review all material proposed actions with respect to executive pension plans for approval by the Board;
- (i) review annual CEO and executive succession plans for approval by the Board; and
- (j) review executive compensation disclosure before the Corporation publicly discloses this information.

#### **5. MEETINGS**

- 5.1. The Committee shall meet often as it deems necessary to carry out its responsibilities but not less frequently than annually.
- 5.2. No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum, provided that if the number of members of the

Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- 5.3. The Chairman will appoint a secretary ("**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- 5.4. The time and place of meetings of the Committee, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the By-Laws of the Corporation or otherwise determined by resolution of the Board.
- 5.5. Meetings may be held in person, by teleconferencing or by videoconferencing.
- 5.6. Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
- 5.7. The approved minutes of the Committee meetings shall be circulated to the Board forthwith and shall be duly entered in the books of the Corporation.

## **6. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS**

- 6.1. The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of the Corporation.
- 6.2. The Committee may invite such other persons (e.g., the CEO, CFO, Controller) to its meetings, as it deems necessary.
- 6.3. The Committee shall have the authority to:
  - (a) retain independent advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities; and
  - (b) set and pay the compensation of any such advisors, at the expense of the Corporation.
- 6.4. Any advisors retained shall report directly to the Committee.

## **7. REPORTING REQUIREMENTS**

- 7.1. The Committee shall make regular reports to the Board, through the Chair, following meetings of the Committee.

## **8. ANNUAL REVIEW AND ASSESSMENT**

- 8.1. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 8.2. The Committee shall review its own performance annually

**9. REMUNERATION**

- 9.1. The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.