

**THE CASH STORE FINANCIAL SERVICES INC.
COMPENSATION COMMITTEE
CHARTER AND TERMS OF REFERENCE**

General

The purpose of this document is to establish the terms of reference of the Compensation Committee of The Cash Store Financial Services Inc. (the "Corporation").

Purpose

The Compensation Committee is a committee of the Board of Directors of the Corporation with the primary function to discharge the Board of Director's responsibilities relating to leadership and talent management by:

- reviewing and approving the goals and objectives relevant to Chief Executive Officer ("CEO") compensation;
- conducting an annual CEO evaluation including but not limited to the past year's performance (including the achievement of the goals and objectives relevant to CEO compensation), and areas requiring improvement and dialogue around fit for the role going forward;
- developing succession planning strategies for the CEO position;
- ensure that the CEO employment and compensation contract is properly administered;
- reviewing matters relating to human resource policies and compensation of directors, officers and employees of the Corporation and its subsidiaries;
- establishing and periodically reviewing the Corporation's policies in the area of management benefits and perquisites; and
- reviewing disclosure, before it is publicly disclosed, of executive compensation for inclusion in the Corporation's management information circular and proxy statement in accordance with applicable rules and regulations.

Structure and Authority

The Board of Directors of the Corporation shall elect annually from the members of the Board of Directors, Compensation Committee, which shall be comprised of not less than three members, the majority of which shall be independent within the meaning of National Instrument 58-101 – Disclosure of Corporate Governance Practices. The Board of Directors may remove a member of the

Compensation Committee at any time in its sole discretion by resolution of the Board of Directors.

Each member of the Compensation Committee shall serve at the pleasure of the Board of Directors, and in any event, only so long as such member shall continue to be a Director of the Corporation. The Board of Directors may fill vacancies on the Compensation Committee by election from their number, subject to new members satisfying the above-stated requirements.

Each member will have, to the satisfaction of the Board of Directors, sufficient skills and/or experience which are relevant to the contribution in carrying out the mandate of the Compensation Committee.

The Compensation Committee shall have the power to fix its quorum at not less than a majority of its members and to determine its own rules of procedures subject to any regulations imposed by the Board of Directors from time to time.

The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of a director, CEO or senior executive compensation and shall have the sole authority to approve the consultant's fees and other retention terms as it relates to such evaluation. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors as it determines to be necessary in order to permit it to carry out its duties;

The Compensation Committee may allocate the responsibilities of the Compensation Committee to sub-committees and individuals of its own determination, provided that such sub-committees are composed of a majority of independent directors. Any such committee must have a published committee charter.

Responsibilities

The primary responsibilities of the Compensation Committee are as follows:

- To review and approve corporate goals and objectives relevant to CEO compensation;
- To evaluate the CEO's performance on an annual basis as such performance relates to the approved goals and objectives;
- Annually review the executive management and CEO succession and development plans and, after consultation with the CEO and in the Compensation Committee's discretion, make recommendations to the Board for consideration;

- Annually review the performance management process and make recommendations to the Board for consideration;
- Annually review, with the CEO, the Position Description for the CEO, and in the Compensation Committee's discretion, recommend any changes to the Board of Directors for consideration;
- Make recommendations to the Board of Directors with respect to incentive-compensation plans and equity-based plans;
- Review the compensation philosophy and remuneration policies for employees;
- Review and recommend to the Board of Directors, the compensation of the Board of Directors including annual retainer, meeting fees, option grants and other benefits conferred upon the Board of Directors;
- Adopt, administer, approve and ratify awards under incentive compensation and stock plans, including amendments to the awards made under any such plans and review and monitor awards under such plans;
- Review with the CEO and comment upon recommendations for the appointment of senior officers prior to consideration by the Board of Directors;
- Review and recommend approval to the Board the executive compensation disclosure for the Named Executive (including Cameron Schiffner);
- Review and approve the Compensation Disclosure in the annual Management Information Circular;
- Review and reassess the adequacy of the Charter and Terms of Reference annually and any proposed changes to the Board of Directors for approval. The Compensation Committee shall annual review its own performance; and
- Report to the Board of Directors on the activities, findings and any recommendations of the Compensation Committee.