

RITCHIE BROS. AUCTIONEERS INCORPORATED

COMPENSATION COMMITTEE CHARTER

Adopted October 30, 2003 and last updated on February 20, 2006

Purpose and Authority:

The purpose of the Compensation Committee (the "*Committee*") is to assist the Board in discharging its responsibilities relating to compensation of the Company's Executive Officers, Board of Directors and general corporate compensation and benefit programs. The Committee shall have overall responsibility for recommending to the Board the Company's compensation philosophy for the Company's Executive Officers, approving and evaluating Chief Executive Officer compensation plans, policies and programs and making recommendations to the Board with respect to the compensation plans, policies and programs for the Company's Executive Officers other than the Chief Executive Officer.

The Committee shall have the sole authority to engage or terminate any outside consultant that is retained to assist the Committee in the evaluation of Chief Executive Officer or Executive Officer compensation, including the sole authority to approve fees and other retention terms. The Committee shall also have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

As the Committee deems appropriate, it may retain independent counsel, accounting and other professionals to assist the Committee without seeking Board approval with respect to the selection, fees or retention terms for any such advisers.

The Committee when appropriate may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Board or Company officers.

Composition:

Independence

The Committee shall be composed of three or more directors, as determined by the Board, each of whom shall (a) meet the independence requirements established by the Board, applicable securities legislation and policies, the New York Stock Exchange, the Toronto Stock Exchange and any other regulations applicable to the Committee from time to time, and (b) be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934.

Appointment and Removal of Members

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. The Board may remove any member from the Committee at any time with or without cause.

Duties and Responsibilities:

The Committee shall have the following duties and responsibilities, in addition to any duties and responsibilities assigned to the Committee from time to time by the Board.

Compensation Philosophy and Goals

- Make recommendations to the Board with respect to Executive Officer compensation philosophy and establish and annually review and make recommendations to the Board with respect to policies regarding Executive Officer compensation programs and practices and oversee the development of such compensation policies and programs.

CEO and Executive Officer Compensation

- Taking into account the views of other Board members, review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives and set the Chief Executive Officer's compensation based on this evaluation at least annually. In determining the long-term incentive component of Chief Executive Officer compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Chief Executive Officer in past years.
- Review the Chief Executive Officer's recommendations regarding annual compensation for the Company's other Executive Officers and report to the Board.
- Review and recommend to the Board, for its approval and, where required, submission to the Company's shareholders, annual and long-term incentive compensation plans for Executive Officers and others and relevant changes to such plans, and be responsible for ensuring that such plans are being properly administered.
- Recommend to the Board, for its approval, changes to Executive Officer compensation policies and programs.

Board Compensation

- Annually review and discuss director compensation plans in relation to comparable companies.
- Recommend to Board, as appropriate, revisions to director compensation plans.

Reports

- Provide minutes of Committee meetings to the Board and report to the Board on any significant matters arising from the Committee's work, including awards for Executive Officers and compensation and retirement arrangements.
- Review and approve the executive compensation disclosure that is required by applicable securities and other rules and regulations.

Meetings:

The Committee should establish a meeting calendar annually. The Committee may hold such meetings as are necessary or appropriate in order for the Committee to fulfill its responsibilities. In the absence of a member designated by the Board to serve as chair, the members of the Committee may appoint from among their number a person to preside at their meetings. When appropriate, the Committee may meet in separate executive session with management, employees, internal audit and the independent auditor to discuss matters that the Committee or the other groups believe warrant Committee attention.

Evaluation:

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an annual evaluation of the Committee's performance in relation to this charter and make applicable recommendations for improvement.