



## **Compensation Committee Charter**

### **PURPOSE OF THE COMMITTEE**

The Compensation Committee (the "Committee") reports to the Board of Directors and Committee and advises and make recommendations to the Board in its oversight role with respect to the Corporation's strategy, policies and programs for the compensation and development of senior management and directors. Specifically, the Committee assists the Board with setting the compensation of senior management and directors.

### **COMPOSITION OF THE COMMITTEE**

The Committee shall consist of not less than three directors, all of whom must be Unrelated Directors as described in Appendix A of this Charter. The Lead Independent Director and/or the Chair of the Board of Directors, even in the case where they are not members of the Committee, may participate on the Committee as a non-voting, ex-officio member of the Committee.

### **Appointment of Committee Members**

Members of the Committee must be appointed or re-appointed by the Board immediately following each Annual Meeting of the Shareholders of the Corporation. Each member of the Committee shall continue to be a member until a successor is appointed, unless he or she resigns or is removed by the Board or ceases to be a Director of the Corporation.

### **Vacancies**

Where a vacancy in the membership of the Committee occurs at any time, the Board may appoint a replacement, but in any event, the Board shall forthwith appoint a replacement where the membership of the Committee falls to less than three members as a result of the vacancy.

### **Chair**

The Board of Directors will appoint a Chair from the members of the Committee. If the Chair is not present at any meeting of the Committee, those members present at the meeting shall appoint a Chair for the purposes of that meeting. It is the duty of the Chair of the meeting to ensure that the minutes of the meeting are delivered to the Corporate Secretary and presented to the Board of Directors at the next meeting of the Board.

### **COMMITTEE MEETINGS**

#### **Time and Place of Meetings**

The Chair of the Committee shall decide the time and place for all meetings. Meetings may further be called by the Chair of the Board, the Lead Independent Director, the Chief Executive Officer of the Corporation or by any member of the Compensation Committee.



### **Frequency**

The Compensation Committee shall meet at least twice annually or more frequently as desired or required.

### **Notice of Meetings**

Notice of the time and place of each meeting shall be given to each member by telephone not less than 48 hours before the time of the meeting or by written notice not less than four days before the date of the meeting, provided that the first meeting immediately following a meeting of shareholders at which Directors are elected may be held without notice if a quorum is present. Meetings may be held without notice if the Directors waive or are deemed to waive notice. Attendance at a meeting shall be deemed such waiver unless the attendance is made for the purpose of objecting to the manner in which the meeting was called.

### **Quorum**

A majority of members present in person, by telephone or any combination thereof shall constitute a quorum.

### **Attendance at Meetings**

The Committee from time to time may invite such additional people to attend meetings as it sees fit and such attendees may fully participate in all discussions at such meetings. A member attending by teleconference will be deemed to be in attendance at such meeting.

### **Minutes**

The Committee will appoint a secretary for the purpose of recording the minutes of all Committee meetings and those minutes will be approved by the Committee and be submitted to the Corporate Secretary and the Board of Directors at its next meeting for its review.

## **RESOURCES AND AUTHORITY**

The Committee has the authority to:

- {a) retain, at the expense of the Company, independent counsel and other experts or advisors as considered advisable to assist the Committee in carrying out its duties or to assist in the conduct of an investigation;
- {b) determine and pay the compensation for any independent counsel and other experts or advisors retained by the Committee;
- {c) conduct any investigation in the Company's business or affairs that it considers appropriate;
- {d) request any senior officer, or outside counsel for the Company, to attend any meeting of the Committee or to meet with any members of, or independent counsel or other experts or advisors to, the Committee.



## **RESPONSIBILITIES AND DUTIES**

The Compensation Committee reports to the Board of Directors and Directors and shall advise and make recommendations in its oversight role with respect to the following items:

1. Reviewing and assessing the adequacy of this Charter, at least annually and, where necessary or desirable recommending changes to the Corporate Governance and Nominating Committee;
2. Reviewing the adequacy and form of compensation for Directors and Officers, and ensuring that the compensation fairly represents the responsibilities and risk involved in being an effective Chair, Director, Committee Member or Officer of the Corporation, and making recommendations to the Board.
3. Reviewing approved corporate goals and objectives relevant to CEO compensation, and evaluating the CEO's performance in light of these goals and objectives and establishing CEO compensation based on this evaluation.
4. Reviewing and approving the overall compensation packages of the Officers of the Corporation
5. Reviewing and assessing the design and competitiveness of the Corporation's compensation and benefit programs generally.
6. Overseeing and making recommendations to the Board of Directors with respect to incentive plans, including the Corporation's Omnibus Share Based Compensation Plan.
7. Reporting to the Board of Directors on all other matters and recommendations made by the Compensation Committee.
8. Reviewing the Corporation's annual management proxy circular and AIF with respect to Compensation.

## **ADOPTION**

This Committee Charter was adopted by the Board on: March 22, 2018



## Appendix A

### Definition of Unrelated Director

#### ***Unrelated Director***

Under the Toronto Stock Exchange rules, "Unrelated Director" means a director who:

{a) is not a member of management and is free from any interest and any business or other relationship which in the opinion of the Exchange could reasonably be perceived to materially interfere with the director's ability to act in the best interest of the company; and

{b) is a beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the applicant.

The Exchange will consider all relevant factors in assessing the independence of the director. As a general rule, the following persons would not be considered an independent director:

- i) a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates; or
- ii) a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the applicant.

#### ***Independent Director***

National Instrument - 52-110

A director is "independent" if he or she has no direct or indirect material relationship with the issuer. The following summarizes the major aspects of National Instrument 52-110 - Audit Committees {"NI52-110"} relating to the independence of a director.

#### **Certain Relationships Automatically Exclude a Director From Serving on the Audit Committee**

If a director {or a member of the director's immediate family} has a specified type of relationship with the issuer {which includes the issuer's parent and subsidiary entities}, then that director will not be considered independent. NI52-110 assumes that the following persons have a material relationship with the issuer {and are therefore precluded from sitting on the audit committee):

#### ***Employment Relationships***

- an individual who is, or has been within the last three years, employee or executive officer of the issuer or an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;



- an individual who, or whose immediate family member, is, or has been within the last three years, an executive officer of another entity if any of the issuer's current executive officers serves or served at that same time on the compensation committee of that entity;
- an individual who received, or whose immediate family member who is employed as an executive officer of the issuer who received, more than C\$75,000 in direct compensation from the issuer during any 12 month period within the last three years {other than remuneration for acting as a member of the board of directors or any board committee of the issuer and fixed amounts received under a retirement plan for prior service with the issuer that is not contingent on continued service);

#### ***Relationships with Internal or External Auditors***

- an individual who is a partner or employee of the issuer's internal or external auditor or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;
- an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is {i) a partner of the issuer's internal or external auditor, {ii) an employee of the issuer's internal or external auditor and participates in its audit, assurance or tax compliance {but not tax planning) practice, {iii) or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;

#### ***Advisory or Consulting Relationships***

- an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than remuneration for acting as a member of the board or any board committee or as a part-time chair or vice-chair of the board or any board committee, including the indirect acceptance of a fee by an individual's spouse, minor child or stepchild, or child or stepchild who shares the individual's home or by an entity in which such individual is a partner, member, officer such as a managing director or executive officer and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer; and,

#### ***Relationships with Affiliated Entities***

- an individual who is an affiliated entity of the issuer or any of its subsidiary entities, where affiliated entity means a person that has the direct or indirect power to direct or cause the direction of management and the policies of the issuer or any of its subsidiary entities, whether through ownership of voting securities or otherwise {other than an individual who owns, directly or indirectly, ten percent or less of any class of voting securities of the issuer and is not an executive officer of the issuer) or an individual who is both a director and an employee of an affiliated entity or an executive officer, general partner or managing member of an affiliated entity.



### **The Materiality of Other Relationships is for the Board to Determine**

If a director has a direct or indirect relationship with the issuer, then it will be material if, in the view of the issuer's board of directors, the relationship could reasonably interfere with the exercise of the director's independent judgement. These relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships or any other relationship that the board considers to be material.

### **Exceptions to the Independence Requirement**

NI52-110 provides exemptions from the independence requirements for:

- audit committee members who cease to be independent for reasons outside their control {but only for a limited period of time};
- directors appointed to the audit committee to fill a vacancy resulting from the death, disability or resignation of a member of the audit committee {but only for a limited period of time}. The director appointed to fill the vacancy is also temporarily exempt from the financial literacy requirements; and,
- audit committee members, under exceptional and limited circumstances as determined by the board in its reasonable judgment, who are not consultants or advisors, not an affiliated entity of the issuer or any of its subsidiary entities, not an employee or officer of the issuer or an immediate family member of such and do not act as chair of the audit committee {but only for a maximum period of two years}.