

## **COMPENSATION COMMITTEE CHARTER**

*The Compensation Committee (for the purposes of this section, the “Committee”) of the Board will carry out the procedures, responsibilities and duties set out below, with an aim of promoting fair and competitive compensation of senior executive officers and other employees of the Company, and the proper and efficient utilization of human resources throughout the Company.*

### **PURPOSE**

1. The purpose of the Committee is to assist the Board in fulfilling its responsibilities in relation to fixing the compensation of members of the Board, the Chief Executive Officer and the officers that report directly to the Chief Executive Officer (the “Senior Executives”) and overseeing the plans for
  - (i) compensation, development and retention of employees;
  - (ii) succession planning for the Chief Executive Officer and the Senior Executives; and
  - (iii) general compensation and human resource policies and issues.

### **RESPONSIBILITIES AND DUTIES**

#### *General*

2. The Committee shall perform the duties as set out in this charter, as well as such other duties as may be appropriate under governing law and stock exchange rules and guidelines, as promulgated by legislative and regulatory bodies, or as may be delegated to the Committee by the Board from time to time.

#### *Compensation of Directors*

3. The Committee shall review and provide recommendations with respect to the remuneration of members of the Board, with an objective that the compensation realistically reflects the responsibilities and risk involved in being an effective director.
4. In conducting its annual review of Board member compensation, the Committee shall also review the Company’s general compensation policies and practices relating to directors and promote compliance with all applicable laws and regulations, particularly those requirements imposed by securities regulators.

### *Chief Executive Officer Compensation*

5. The Committee shall annually review, and recommend for the approval of the independent members of the Board the compensation of the Chief Executive Officer addressing:

- (i) base salary,
- (ii) annual incentives,
- (iii) long term incentives, including DSUs and RSUs and
- (iv) any other form of compensation.

6. The Committee shall review and approve the choice of corporate performance measures, and the target level of performance required to earn awards, under its short and long term incentive plans, and then evaluate the performance of the CEO based on those goals and such other factors as the Committee deems appropriate and in the best interest of the Company.

7. From time to time, as needed, the Committee shall review and consider any agreements, including those addressing indebtedness, retirement, termination of employment or other special circumstances, as appropriate, between the Company and the Chief Executive Officer.

### *Compensation of Senior Executives*

8. The Committee shall annually review, and recommend to the Board the compensation of the Senior Executives, based on discussion and recommendations by the CEO, addressing

- (i) base salary,
- (ii) annual incentives,
- (iii) long term incentives, including DSUs and RSUs and
- (iv) any other form of compensation.

9. The Compensation Committee shall review and recommend to the board the granting and issuance of any DSU and RSU incentives in total for senior management on an annual basis.

10. From time to time, as needed, the Committee shall review and consider any agreements, including those addressing indebtedness, retirement, termination of employment or other special circumstances, as appropriate, between the Company and the Senior Executives.

### *Succession Planning*

11. The Committee together with the board shall review the Company's succession plans for the Chief Executive Officer and Senior Executive positions, including the processes to identify, develop and retain the talent of outstanding executives.

12. The Committee together with the board shall annually review the Company's activities in promoting talent development across the organization. The Committee and board may review employee engagement results as appropriate to ensure alignment of its people processes, programs, and practices with its strategy and business objectives.

### *Compensation Risk Management*

13. The Committee shall consider, and recommend policies to address, the implications of the potential risks associated with the Company's compensation policies and programs.

14. The Committee shall review the design, approval and governance of material incentive programs to ensure they do not encourage excessive risk taking, and reviews the implications of key enterprise risks, including human resource risks, on compensation design and human resource practices.

## **MEMBERSHIP**

15. The committee shall consist of no fewer than three and no more than five directors, all of whom shall be independent directors. The Chair of the Board shall be an ex-officio member of the Committee.

16. Members of the Committee shall have skills and experience in matters relating to executive compensation, risk management, human resources, or talent.

17. The Board will annually appoint the members of the Committee.

18. The members of the Committee will serve at the pleasure of the Board and may be removed or replaced at any time, with or without cause, by a majority vote of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by appointment of the Board as soon as is reasonably possible following the vacancy.

## **MEETINGS**

### *Timing*

19. The Committee shall meet at least two times in each fiscal year. Additional meetings may be called at the direction of the Board, the Chair of the Committee or as the Committee deems necessary to carry out its functions and duties effectively.

20. The Chair of the Committee shall be involved in the preparation of an agenda for each Committee meeting and arrange for forwarding such agenda to the Committee at a time reasonably in advance of the meeting.

#### *Attendance*

21. The Chair of the Committee shall preside at the Committee meetings. In the absence of the Chair, an alternate may be elected by the Committee to preside at a meeting.

22. The Corporate Secretary, or a person delegated by the Corporate Secretary, will be the secretary to the Committee and will be responsible for recording the Minutes of each Committee meeting. Copies of the Minutes will be forwarded to all Committee members in a timely manner, and the originals will be maintained at the head office of the Company.

23. The Committee may invite to its meetings other members of the Board, senior executive officers or management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also excuse from its meetings any persons it deems appropriate in order to carry out its responsibilities.

#### *Procedure*

24. All Committee meetings shall be conducted in accordance with the Articles and the By-laws of the Company. No business of the Committee may be transacted except at a meeting of the members at which a quorum of the Committee is present (in person or by means of telephone conference) or by a resolution in writing signed by all of the Committee members. A majority of the members of the Committee constitutes a quorum.

25. The Committee shall schedule in camera meetings to take place either before or after each Committee meeting.

#### **AUTHORITY**

26. This charter gives the Committee the authority to carry out the responsibilities described in this charter, and any other responsibilities that the Committee deems necessary to fulfill its obligations and assist the Board in meeting its responsibilities and obligations in respect of matters addressed in this charter.

27. As appropriate, the Committee may retain independent advisors to help it carry out its responsibilities, including fixing such advisors' fees and retention terms, subject to advising the Board Chair.

#### **REPORTS**

28. The Chair of the Committee shall report to the Board regularly regarding its deliberations. The Committee shall make such recommendations to the Board as it may deem appropriate and has such decision-making authority as the Board may determine from time to time.

29. The Committee shall review and recommend to the Board the disclosure relating to director and executive compensation to be included in the annual Management Proxy Circulars of the Company, as well as any other such reports relating to the activities of the Committee as may be required by the Company, the Board or the Committee.

#### **MISCELLANEOUS**

30. The Committee shall conduct an annual review and assessment of its performance, including a review of its compliance with this charter. In conducting its review, the Committee shall take into account all applicable legislative and regulatory requirements, and any guidelines recommended by regulators or stock exchanges with which the Company has a reporting relationship. The Committee may approve revisions to this charter, with guidance from the Chair of the Governance Committee when appropriate.

31. Nothing contained in this charter is intended to assign to the Committee the Board's responsibility to ensure the Company's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the directors or the members of the Compensation Committee.