



## Corporate Governance and Compensation Committee Mandate

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## **1. Purpose**

The primary purpose of the Corporate Governance and Compensation Committee (hereafter also referred to as “the Committee”) is to assist the Board of Directors in fulfilling its oversight responsibilities in relation to:

- 1.1 the Corporation’s overall approach to corporate governance;
- 1.2 the size, composition and structure of the Board and its committees;
- 1.3 the identification and recommendation to the Board of qualified individuals for appointment to the Board and its committees;
- 1.4 setting the compensation of the CEO including plans and programs relating to cash compensation, incentive compensation, equity-based awards and other benefits and perquisites and for reviewing the overall compensation plans and philosophy for the named executive officers;
- 1.5 orientation and continuing education for directors;
- 1.6 matters involving conflicts of interest of directors and officers; and
- 1.7 any additional matters delegated to the Committee by the Board.

## **2. Composition**

The Board, on the recommendation of the Committee, will appoint the members of the Committee and its Chair, from time to time. The Committee will consist of three or more members, all of whom will be Independent Directors.

## **3. Meetings**

The Committee will meet at least once annually and as many additional times as the Committee deems necessary to carry out its duties effectively.

Notice of every meeting will be given to each member and the Chair of the Board.

A majority of the members of the Committee will constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum is present.

The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to

time to attend its meetings and assist in the discussion and consideration of any matter.

The Chair, or any member of the Committee, may convene a meeting of the Committee.

#### **4. Duties and Responsibilities**

To carry out its oversight responsibilities, the Committee will:

- 4.1 make recommendations to the Board with respect to the appropriate size and composition of the Board;
- 4.2 make recommendations to the Board with respect to qualifications for members of the Board, with a view to the independence and expertise required for effective governance and satisfaction of applicable regulatory requirements, and procedures for identifying possible candidates who meet the criteria adopted;
- 4.3 make recommendations to the Board with respect to the election or appointment of nominees to the Board to fill Board vacancies;
- 4.4 make recommendations to the Board with respect to the number, composition and mandates of committees of the Board;
- 4.5 make recommendations to the Board with respect to the appointment of directors to Board committees and the selection of committee chairs;
- 4.6 establish the competencies and skills the Board considers to be necessary to the Board, as a whole, to possess, the competencies and skills the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the Board;
- 4.7 make recommendations to the Board with respect to the establishment and implementation of procedures to review the contribution of individual directors and the effectiveness of the Board and its committees, including the completion of annual directors' questionnaires and the dissemination of results to the Board;
- 4.8 assist management in development of an orientation program for new members of the Board and an education program for all members of the Board;
- 4.9 make recommendations to the Board with respect to the Corporation's approach to corporate governance issues, including: (i) the relationship of the Board to management; (ii) the review of the Board mandate at least once a year; and (iii) the adequacy of the structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities;

- 4.10 annually review the effectiveness of the Board in fulfilling its responsibilities and duties as set out in the Board of Directors mandate;
- 4.11 annually review the effectiveness of all Board committees in fulfilling their responsibilities and duties as set out in the committee mandates;
- 4.12 make recommendations to the Board with respect to the development and review of position descriptions for the Chief Executive Officer, the Chair of the Board, Lead Independent Director and Board committee chairs;
- 4.13 evaluate individual directors to assess their suitability for nomination for re-election;
- 4.14 make recommendations to management on their succession plan which is responsive to the Corporation's needs and the interests of shareholders;
- 4.15 make recommendations to the Board with respect to directors' and officers' liability insurance and indemnity agreements; and
- 4.16 approve individual directors engaging outside advisors at the expense of the Corporation in appropriate circumstances.

## **5. Compensation**

The Committee shall have the following duties and responsibilities in relation to compensation review:

- 5.1 review management's recommendations on the Corporation's compensation policies such as salary ranges, retirement plans, annual incentive bonuses and long-term incentive plans, including equity-based compensation programs and recommend to the Board;
- 5.2 review and approve corporate goals and performance objectives relevant to the CEO of the Corporation and evaluate performance of the CEO relative to these corporate goals and objectives;
- 5.3 recommend to the Board the base salary, cash incentive bonus, equity-based incentive awards and other compensation for the CEO of the Corporation based on the evaluation of the corporate goals and objectives relating to the CEO;
- 5.4 Report to the board on the appropriateness of the compensation plans , with respect to named executive officers of the Corporation (other than the CEO); base salary, incentive-based compensation plans and



equity-based plans;

- 5.5 recommend to the Board, on an annual basis, the annual retainer, equity-based plans and other compensation for the directors of the Corporation;
- 5.6 review executive compensation disclosure before the Corporation publicly discloses such information.

## 6. **Nomination of Directors**

In making recommendations to the Board for the nomination of individuals as directors, while seeking advice and input from the Chairman of the Board, the Committee will consider:

- 6.1 the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- 6.2 the competencies and skills that the Board considers each existing director to possess;
- 6.3 the competencies and skills each new nominee would bring to the Board; and
- 6.4 whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

## 7. **Reporting**

The Committee will:

- 7.1 regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- 7.2 oversee the preparation of any Statement of Corporate Governance Practices (or similarly captioned) section of the Corporation's management proxy circular and any other disclosure required under applicable law with respect to matters that are within its responsibilities.

## 8. **Minutes**

Minutes will be kept of each meeting of the Committee and will be available to each member of the Board. Any action of the Committee (other than actions for which the Committee has sole authority as set forth herein) shall be subject to revision, modification, rescission, or alteration by the Board, provided that no rights of third parties shall be affected by any such revision, modification, rescission, or alteration.



## **9. Review and Evaluation**

The Committee will annually review and evaluate the adequacy of its mandate and recommend to the Board any proposed changes.

The Committee will annually evaluate its performance and report the results of such evaluation to the Board.

## **10. Chair**

Each year, the Board will appoint one member to be Chair of Committee. If, in any year, the Board does not appoint a Chair of the Committee, the incumbent Chair of the Committee will continue in office until a successor is appointed.

## **11. Removal and Vacancies**

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains (at least two members) in office. Subject to the foregoing, each member of the Committee shall remain as such until the next annual meeting of shareholders after that member's election.

## **12. Access to Outside Advisors**

The Committee may, without seeking approval of the Board or management, select, retain, terminate, set and approve the fees and other retention terms of any outside advisor, as it, acting reasonably, deems appropriate. The Corporation will provide for appropriate funding, for payment of compensation to any such advisors, and the Committee will keep management and the Board informed of the quantum of such expenditures, as appropriate.

Amendments

This Corporate Governance and Compensation Committee Mandate may be amended in whole or in part with the approval of a majority of the Board.

## **13. Definitions**

Legal terms used in this Mandate have the meanings attributed to them below. Terms not otherwise defined herein



have the meanings attributed to them in National Instrument 52-110, as amended from time to time.

“**Independent Director**” means, in general, a director who has no direct or indirect material relationship with the Corporation. Despite the foregoing, the following individuals are considered to have a “material relationship” with the Corporation as that term is defined by the *Securities Act* (British Columbia).