

## **Compensation Committee Terms of Reference**

### **1. Mandate – General**

The Compensation Committee is responsible for reviewing the Company's overall corporate operational compensation framework (excluding OLIP), as proposed by management, to ensure that COMPANY's compensation, benefit policies and practices and human resources policies and practices are consistent with industry standards and relevant legislation. The Committee will report and make recommendations to the Board of Directors for Approval. The President will report to the Board that the framework has been administered as approved. The corporate compensation framework includes compensation policies and procedures and the compensation grid for the Company.

Annually, the Committee will make specific recommendations to the Board regarding the President's annual compensation package, including the process by which his/her performance metrics will be measured, evaluating the President's performance against those goals and objectives, oversee compensation to the Executive, and the compensation payable to External Directors.

Definition – Compensation: Compensation includes all forms of payments (direct or indirect) including payment to employees and directors with respect to salaries and benefits (including RRSP, vacations, personal days, bonus etc., but excluding OLIP)

### **2. Reporting and Accountability**

The Compensation Committee is responsible to and will report to the Board, presenting recommendations for the Board's consideration and approval as required or appropriate pertaining to the Presidents Compensation, External Directors Compensation and Governance of overall Compensation including the Board's Bonus policy.

### **3. Composition of Committee**

The Committee will be comprised of four Members, the majority of which shall be Board Members and ~~one~~ **at least one shall be an external Board Member**, with support from the President and Corporate Secretary.

### **4. Committee Member and Chair Appointments**

The Chair of the Committee will be appointed at the first meeting of the Board following the annual meeting of Shareholders. Once the Committee is formed by the Chair, the proposed Committee Members will be brought back to the Board for approval.

### **5. Committee Meetings**

The Committee will meet as required with a minimum of 5 meetings per year to address the specific duties as outlined in #8 below and as per the Schedule set by the Committee on a yearly basis.

### **6. Quorum**

A majority of Committee members, present in person, by video conference or by telephone will form a quorum.

## **7. Attendance at Meetings**

Along with the Committee Members, the President and Corporate Secretary are expected to be available to attend meetings or portions thereof as required or deemed appropriate.

## **8. Specific Duties**

In carrying out its mandate, the Compensation Committee will act in an advisory capacity to the Board of Directors, preparing recommendations annually for the Board's consideration and approval of the following:

1. Corporate
  - Review the adjusted Corporate Salary Compensation Grid annually as recommended by the President and with respect to the market.
  - Review major changes to COMPANY's compensation and benefits policies, e.g. RRSP corporate contributions.
  - Succession (Long Term) – Continue to work with the President in regards to long term succession planning for Senior Management
  - Recommend Staff Bonus Pool
  
2. Presidents Compensation
  - Negotiate and recommend the President's Compensation Package to the Board for the next Year
  - Establish Performance Metrics for the Presidents Bonus.
  - Review the President's bonus and performance for the current fiscal year based on agreed target criteria.
  - Set the President's target bonus and criteria for the next fiscal year.
  
3. Directors Compensation
  - Review Compensation to External Directors annually.
  
4. Executive Compensation Review
  - Review the President's recommendations for bonus and salary/compensation adjustment for President's Direct Reports and/or Executive Committee as determined by the Committee from time to time. (Review will be completed by an External Board member).

## **9. Miscellaneous**

The Committee may engage outside resources if deemed advisable.

Board approved \_\_\_\_\_