

## CHARTER FOR THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

### 1. PURPOSE

- a) The Compensation Committee is appointed by the Board of Directors to discharge the Board's duties and responsibilities relating to the compensation of the Company's Executive Chairman, Chief Executive Officer and senior management, as well as to review the human resource policies and practices that cover the Company's employees.

### 2. MEMBERSHIP AND ORGANIZATION

- a) **Composition** — The Compensation Committee shall consist of not less than three independent members of the Board. At the invitation of the Compensation Committee, members of the Company's senior management and others may attend Compensation Committee meetings as the Compensation Committee considers necessary or desirable.
- b) **Appointment and Removal of Compensation Committee Members** — Each member of the Compensation Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of the Company's shareholders at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Compensation Committee or from the Board. The Board may fill a vacancy in the membership of the Compensation Committee.
- c) **Chair** — At the time of the annual appointment of the members of the Compensation Committee, the Board shall appoint a Chair of the Compensation Committee. The Chair shall: be a member of the Compensation Committee, preside over all Compensation Committee meetings, coordinate the Compensation Committee's compliance with this mandate, work with management to develop the Compensation Committee's annual work-plan and meeting agendas to ensure that all business requiring the Compensation Committee's approval is appropriately tabled, and provide reports of the Compensation Committee to the Board.
- d) **Independence** — Each member of the Compensation Committee shall meet any requirements promulgated by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company (collectively, "Applicable Requirements") relating to independence.

### 3. MEETINGS

- a) **Meetings** — The members of the Compensation Committee shall hold meetings as are required to carry out this mandate. The Chair, in consultation with the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Corporate Secretary, determine the frequency, dates and locations of meetings of the Compensation Committee. The Chair shall preside over all Compensation Committee meetings, and in the absence of the Chair, the members of the Compensation Committee present may appoint a chair from their number for a meeting.
- b) **Corporate Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Compensation Committee requests, shall act as secretary at Compensation Committee meetings. Minutes of Compensation Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Compensation Committee for approval.
- c) **Quorum** — A majority of the members of the Compensation Committee shall constitute a quorum.
- d) **Access to Management and Outside Advisors** — The Compensation Committee shall have unrestricted access to the Company's management and employees. The Compensation Committee shall have the authority to retain external legal counsel, compensation consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation of these advisors. This is in line with Corporate Governance Guidelines issued by the CSA. The Company shall provide appropriate funding, as determined by the Compensation Committee

### 4. FUNCTIONS AND RESPONSIBILITIES

The Compensation Committee shall have the functions and responsibilities set out below as well as any other matters that are specifically delegated to the Compensation Committee by the Board. In addition to these functions and responsibilities, the Compensation Committee shall perform the duties required of a Compensation committee by Applicable Requirements.

- a) **Executive Chairman of the Board Performance, Evaluation and Compensation**
  - i. **Performance Goals** — At least annually, the Compensation Committee shall review and, if advisable, approve and recommend for Board approval performance goals for the Executive Chairman of the Board.

- ii. **Evaluation** — At least annually, the Compensation Committee shall evaluate the performance of the Executive Chairman of the Board in relation to his or her performance goals.
- iii. **Compensation** — At least annually, the Compensation Committee shall review, and, if advisable, approve and recommend for Board approval the Executive Chairman of the Board's compensation package. The compensation package recommendation shall be based on the Executive Chairman of the Board's performance evaluation conducted pursuant to subsection 4(a)(ii) of this mandate, as well as other factors and criteria as may be determined by the Compensation Committee from time to time.

**b) Chief Executive Officer Performance, Evaluation and Compensation**

- i. **Performance Goals** — At least annually, the Compensation Committee shall review and, if advisable, approve and recommend for Board approval performance goals for the Chief Executive Officer.
- ii. **Evaluation** — At least annually, the Compensation Committee shall evaluate the performance of the Chief Executive Officer in relation to his or her performance goals. The Chief Executive Officer's evaluation shall be conducted in conjunction with the Executive Chairman of the Board and shall be presented to the Board for its review.
- iii. **Compensation** — At least annually, the Compensation Committee shall review, and, if advisable, approve and recommend for Board approval the Chief Executive Officer's compensation package. The compensation package recommendation shall be based on the Chief Executive Officer's performance evaluation conducted pursuant to subsection 4(b)(ii) of this mandate, as well as other factors and criteria as may be determined by the Compensation Committee from time to time.
- iv. **Employment Arrangements** — The Compensation Committee shall review, and, if advisable, approve and recommend for Board approval any arrangement with the Chief Executive Officer relating to employment terms, termination, severance, change in control or any similar arrangements. In undertaking this review, the Compensation Committee shall take into account the overall structure, costs and general implications of these arrangements.

**c) Appointment and Compensation of Senior Management other than the Chairman of the Board and the Chief Executive Officer**

- i. **Senior Management** — The Compensation Committee shall review and, if advisable, approve and recommend for Board approval the appointment, compensation and other terms of employment of the

Chief Financial Officer, and all Named Executive Officers (NEO) reporting directly to the Chief Executive Officer and all other officers appointed by the Board of Directors.

- ii. **Senior Management Compensation Principles, Policies and Plans** — At least annually, the Compensation Committee shall review, and, if advisable, approve and recommend for Board approval the Company's compensation principles, policies and plans for management, including the establishment of performance measures and evaluation processes. The Compensation Committee shall oversee the development and implementation of these principles, policies and plans. The Compensation Committee is responsible for reviewing the implications of risks associated with the Company's compensation policies.
- iii. **Employment Arrangements** — The Compensation Committee shall review, and, if advisable, approve and recommend for Board approval arrangements with the Chief Financial Officer, and all Named Executive Officers (NEO) reporting directly to the Chief Executive Officer and such other key senior management positions as the Compensation Committee may determine relating to material or non-standard employment terms, termination, severance, change in control or any similar arrangements. In undertaking this review, the Compensation Committee shall take into account the overall structure and costs of these arrangements.
- iv. **Benchmark** — The Compensation Committee reviews the benchmark against which the NEO's compensation is measured including the rationale for including companies in the benchmark group.

**d) Compensation of Directors**

- i. **Compensation** — At least annually, the Compensation Committee shall review, and, if advisable, approve and recommend for Board approval the compensation package for directors. The compensation package recommendation shall be based on factors and criteria as may be determined by the Compensation Committee from time to time.

**e) Compensation Principles, Policies and Plans, Equity-Based Plans**

- i. **Compensation Principles, Policies and Plans** — At least annually, the Compensation Committee shall review and, if advisable, approve or amend the Company's compensation principles, policies and plans.
- ii. **Equity-Based Compensation Plans** — At least annually, the Compensation Committee shall review the Company's equity-based

compensation plans and shall determine whether these plans are consistent with the Company's compensation principles and policies.

- iii. **Administer Equity-Based Compensation Plans** -- On an on-going basis, the Compensation Committee shall administer and interpret the Company's equity-based compensation plans and its policies respecting the grant of compensation pursuant thereto, and, if advisable, review and recommend for approval of the Board the grant of compensation thereunder and the terms thereof.
- f) **Executive Compensation Disclosure** — The Compensation Committee shall review and, if advisable, approve the Company's Compensation Discussion & Analysis and the executive compensation disclosure to be included in the Company's management information circulars as required by Applicable Requirements prior to its dissemination.
- g) **Assessment of Regulatory Compliance** — The Compensation Committee shall review management's assessment of compliance with Applicable Requirements as they pertain to responsibilities under this mandate, and report its findings to the Board and recommend changes it considers appropriate.
- h) **Delegation** — The Compensation Committee may, to the extent permissible under Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Compensation Committee deems appropriate.

## 5. REPORTING TO THE BOARD

- a) The Chair shall report to the Board on material matters arising at Compensation Committee meetings and, where applicable, shall present the Compensation Committee's recommendations to the Board for its approval.

## 6. GENERAL

- a) The Compensation Committee shall, to the extent permissible by Applicable Requirements, have such additional authority as may be reasonably necessary or desirable, in the Compensation Committee's discretion, to exercise its powers and fulfill the duties under this mandate.

## 7. CURRENCY OF THE COMPENSATION COMMITTEE CHARTER

This charter was last reviewed and approved by the Audit Committee and the Board of Director of TECSYS Inc. on July 5, 2018.