

As at May 14, 2018



## CHARTER OF THE JOINT CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

### 1. PURPOSE OF THIS CHARTER

The Joint Corporate Governance and Compensation Committee is appointed by the Board of Directors (the “**Board**”) of Black Iron Inc. (the “**Corporation**”) to assist in fulfilling its corporate governance responsibilities under applicable law, to promote a culture of integrity throughout the Corporation, to assist the Board in setting director and senior executive compensation and to develop and submit to the Board recommendations with respect to other employee benefits as they see fit. In the performance of its duties, the Committee will be guided by the following principles:

- a) establishing sound corporate governance practices that are in the interest of shareholders and contribute to effective and efficient decision-making;
- b) offering competitive compensation to attract, retain and motivate the very best qualified executives to allow the Corporation to meet its goals; and
- c) acting in the interests of the Corporation and its shareholders by being fiscally responsible.

### 2. COMPOSITION AND MEETINGS

- a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“**OSC**”), the *Business Corporations Act* (Ontario), any stock exchange upon which the securities of the Corporation trade and all other applicable securities regulatory authorities.
- b) The Committee members will be appointed annually at the first meeting of the Board following the annual general meeting of shareholders.
- c) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from

among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule “A” attached hereto.

- d) Each of the members of the Committee shall be “independent” (as defined under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators).
- e) Each member of the Committee shall serve at the appointment of the Board and, in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
- f) The Committee shall meet at least annually, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.
- g) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting, at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- h) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- i) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other means of communication, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- j) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

- k) The Committee shall keep minutes of its meetings, which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- l) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
- m) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.
- n) The Committee may from time to time hire and remunerate outside professionals to assist or advise the Committee in carrying out its mandate.
- o) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

### **3. RESPONSIBILITIES**

The responsibilities of the Committee shall be as follows:

- a) to review this Charter annually and revise as necessary with the approval of the Board;
- b) to assess the quality of the Corporation's governance practices and suggest changes to the Corporation's governance practices to the Board as determined appropriate;
- c) to implement structures from time to time to ensure that the directors can function independently of management;
- d) to respond to requests by, and if appropriate, to authorize, individual directors to engage outside advisors at the expense of the Corporation;
- e) to implement, as well as periodically review, assess and update, the Corporate Disclosure, Confidentiality and Insider Trading Policy (the "**Disclosure Policy**") of the Corporation, including:
  - i) the appointment and monitoring of the Disclosure Representatives established thereunder;

- ii) periodically evaluating the effectiveness of the Corporation's disclosure controls and procedures, including but not limited to, assessing the adequacy of the controls and procedures in place;
- f) other than as set forth herein, to periodically review, assess and update, each of the Corporation's corporate governance policies including reviewing a minimum of half of the Corporation's corporate governance policies on an annual basis;
- g) to annually review the performance and qualification of existing directors in connection with their re-election;
- h) to assess the competencies and skills of each existing director and assess the competencies and skills that each new director should possess;
- i) to assess, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors, including making recommendations where appropriate that a sitting director be removed or not re-appointed;
- j) to review on a periodic basis, the size and composition of the Board, having in mind the competencies and skills which the Board as a whole should possess as well as any diversity policy adopted by the Board from time to time. The Committee shall review the directors' relationships with regard to potential conflicts of interest and determine the independence of the members of the Board. The Committee shall be responsible for ensuring that an appropriate number of independent directors sit on the Board;
- k) to establish qualifications for directors and procedures for identifying possible nominees who meet these criteria;
- l) to analyze the needs of the Board when vacancies arise and to identify and recommend nominees who meet such needs;
- m) to establish procedures and approve appropriate orientation and education programs for new members of the Board;
- n) together with the Board, to provide continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure their knowledge of the business of the Corporation remains current;
- o) having regard to competitive position and individual performance, annually review, approve and recommend to the Board for approval the remuneration of the senior executives of the Corporation, namely, any executives in the offices of Chief Executive Officer, President, Vice-Presidents, Chief Financial Officer and any senior executives of the Corporation having comparable positions as may be specified by the Board (collectively, the "**Senior Executives**"), the remuneration of the Senior

Executives other than the Chief Executive Officer shall be subject to review by the Committee in consultation with the Chief Executive Officer;

- p) to review the Chief Executive Officer's goals and objectives for the upcoming year and to provide an appraisal of the Chief Executive Officer's performance at the end of the year;
- q) to meet with the Chief Executive Officer to discuss goals and objectives of other Senior Executives, their compensation and performance;
- r) to review and recommend to the Board for approval any special employment contracts including employment offers, retiring allowance agreements or any agreement to take effect in the event of termination or change in control affecting any Senior Executives;
- s) to review and recommend to the Board for its approval the remuneration of directors and senior executives, and to develop and submit to the Board recommendations with regard to bonus entitlements, other employee benefits and bonus plans;
- t) to compare on an annual basis the total remuneration (including benefits) and the main components thereof for the Senior Executives with the remuneration practices of peers in the same industry;
- u) to review periodically bonus plans and the stock incentive plan and consider these in light of new trends and practices of peers in the same industry;
- v) to review and recommend to the Board for its approval the disclosure required in any management information circular of the Corporation in respect of meetings of the shareholders of the Corporation relating to executive compensation as may be required pursuant to any applicable securities regulations, rules and policies and to review and finalize the report on executive compensation required in any management information circular of the Corporation;
- w) subject to the powers of the Board, shareholder approval of all stock incentive plans and receipt of all necessary regulatory approvals, to determine those directors, officers, employees and consultants of the Corporation who will participate in long term incentive plans; to determine the number of shares of the Corporation allocated to each participant under such plan; to determine the time or times when ownership of such shares will vest for each participant; and to administer all matters relating to any long term incentive plan and any employee bonus plan to which the Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board;
- x) to determine annually the Chief Executive's entitlement to be paid a bonus under any employee bonus plan;

y) to adopt such policies and procedures as it deems appropriate to operate effectively.

## **Schedule “A”**

### **Black Iron Inc.**

#### **POSITION DESCRIPTION FOR THE CHAIRMAN OF THE JOINT CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE**

##### **1. PURPOSE**

The Chairman of the Joint Corporate Governance and Compensation Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in, among other things: (i) assessing the effectiveness of the Board and the Corporation’s governance; (ii) reviewing Board compensation on at least an annual basis; (iii) reviewing and recommending to the Board compensation packages of the President and Chief Executive Officer, as well as other members of senior management; and (iv) establishing periodic review of the management benefits and perquisites.

##### **2. WHO MAY BE CHAIRMAN**

The Chairman will be selected amongst the independent directors of the Corporation who have a sufficient level of experience with corporate governance and compensation issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

##### **3. RESPONSIBILITIES**

The following are the primary responsibilities of the Chairman:

- a) chairing all meetings of the Committee in a manner that promotes meaningful discussion.
- b) ensuring adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually.
- c) providing leadership to the Committee to enhance the Committee’s effectiveness, including:
  - i) ensuring that the responsibilities of the Committee are well understood by the Committee members;
  - ii) providing information to the Board relative to the Committee’s issues and initiatives as well as reviewing and submitting to the Board any recommendations concerning the Corporation’s corporate governance

- performance and processes, compensation, benefits, philosophies and programs for employees and management;
- iii) ensuring that the Committee works as a cohesive team with open communication;
  - iv) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
  - v) ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) and compensation of directors is assessed at least annually;
  - vi) ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the board is assessed at least annually;
  - vii) ensuring procedures are established to orient and educate new directors; and
  - viii) ensuring the appropriate research and peer group review is done to identify and assess trends in employment benefits and other compensation data.
- d) managing the Committee, including:
- i) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner, is appropriate in terms of relevance and is efficient in format and detail;
  - iii) ensuring meetings are appropriate in terms of frequency, length and content;
  - iv) overseeing and participating in the review and approval, on an annual basis, of the reports of the Joint Corporate Governance and Compensation Committee to be disclosed in the Corporation's annual reporting materials in connection with the Corporation's annual meeting;
  - v) ensuring the Corporation's adherence to its corporate governance principles and guidelines;
  - vi) ensuring that the Committee reviews all executive compensation disclosure before it is publicly disclosed;



- vii) liaising with outside advisors regarding compensation matters and ensuring reports prepared by any such outside advisors are received in a timely manner;  
and
- viii) annually reviewing with the Committee, its own performance.