



**LASSONDE INDUSTRIES INC.**

**HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER**  
**Approved by the Board of Directors on May 7, 2021**

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**AUTHORITY**

**1.1 General**

The Human Resources and Compensation Committee (the **Committee**) is a standing committee of the Board of Directors of Lassonde Industries Inc. (the **Corporation**) that has the powers and duties described below.

**1.2 Access to Resources**

The Committee has free access to the Chief Human Resources Officer of the Corporation (the **Senior HR Officer**), to the other members of this department and to the documents of the Corporation. The Corporation gives it the necessary resources to perform its duties. The Committee therefore has the power to hire the advisors it considers necessary to perform its mandate and to set their compensation following approval, for budgetary purposes, of the Board Chair or Senior HR Officer.

**COMPOSITION AND OPERATION**

**2.1 Members**

The Committee consists of a minimum of three directors that the Board of Directors selects from among its members. At least a majority of the members in office are independent within the meaning attributed to the independence of an audit committee member in *Regulation 52-110 respecting Audit Committees*.<sup>1</sup>

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<sup>1</sup> Subject to the limits and exceptions provided for in Regulation 52-110, an audit committee member is independent if he or she has no direct or indirect material relationship with the Corporation, which relationship could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the member's independent judgment.

## **2.2 Appointment and Term of Office**

The term of office of members is one year and may be renewed. The members are appointed and their number determined by the Board of Directors at the first meeting following the annual meeting of the shareholders or at any other meeting, including for the purpose of filling a vacancy. The Board of Directors may at any time appoint additional members who, in the opinion of the Board, meet the eligibility requirements described in this Charter. The Board of Directors may also remove members of the Committee.

## **2.3 Chair and Secretary**

The Committee Chair shall be appointed by the Board of Directors from among its members for a one-year term, which may be renewed. Where the Chair is absent or unable to preside, a member chosen by the Committee chairs the meeting. The Committee Secretary is chosen by the Committee.

## **2.4 Meetings**

- a) The Committee meets at least twice a year and may hold special meetings at the request of the Committee Chair or two of its members or the Board Chair, the Chief Executive Officer or the Senior HR Officer. The Committee Chair, after consulting with members, determines the place, date and time of the meetings. If necessary, meetings may be held by telephone or any other means allowing the members to communicate with each other. The Committee establishes its own procedures for holding and convening meetings.
- b) The quorum of Committee meetings shall be a majority of its members in office, provided that the number of independent directors present is at least equal to the number of its members who are not independent directors. Decisions are approved by the majority of votes cast by the members present who vote on the decision to be made.
- c) Minutes of the Committee meetings must be prepared diligently by the Committee Secretary or any other person designated by the Committee. The Committee will report periodically on its meetings and work to the Board of Directors and, to the extent possible, to the first Board meeting following a Committee meeting.
- d) In addition to Committee members, any other person may attend meetings at the request of the Committee Chair or with the Committee's consent.

## **MANDATE AND RESPONSIBILITIES**

The Committee's responsibilities include the following:

### **3.1 Chief Executive Officer's Compensation**

Recommend to the Board of Directors the compensation payable to the Chief Executive Officer.

At the beginning of the fiscal year, review and recommend to the Board of Directors the objectives of the Chief Executive Officer, among others, for the purposes of establishing any portion of his or her compensation that is linked to the Corporation's performance and, at the end of the fiscal year, determine the degree to which these objectives have been attained.

### **3.2 Compensation of Other Executive Officers**

Recommend to the Board of Directors the compensation payable to the other executive officers of the Corporation.

For the purposes hereof, “executive officer” means the person holding any of the following positions: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and any other person (where applicable) who, without holding any of these titles, performs equivalent duties or holds any position with an equal level of responsibility or authority that the Board of Directors designates as being part of senior management. For the same purposes, any other person working for the Corporation or a subsidiary whose compensation was disclosed in the Management Proxy Circular for any one of the three last fiscal years will be deemed an executive officer.

### **3.3 Compensation of Other Officers**

Unless the Chief Executive Officer should refer such a matter to the Committee, the compensation of officers other than executive officers will be determined by the Chief Executive Officer or any other executive officer appointed thereby. The Committee may review the elements of the compensation of officers other than executive officers and make recommendations thereon to the Chief Executive Officer.

### **3.4 Compensation Policies**

Examine the compensation programs and policies applicable to the Corporation’s executive officers, regardless what form such compensation may take, and report and make recommendations to the Board of Directors on the adoption of or modifications to the said programs and policies.

### **3.5 Director Compensation**

Entrust the Committee Chair or any other Committee member it may appoint to that end with the mandate to cooperate with the Corporate Governance Committee for the purposes of establishing the latter’s recommendations to the Board of Directors regarding director compensation.

### **3.6 Hiring of Executive Officers**

Examine the candidates management submitted to the Committee for the purposes of being hired as new executives officers and make recommendations to: (i) the Board of Directors regarding the choice of Chief Executive Officer; and (ii) to the Chief Executive Officer regarding the choice of the other executive officers.

Approve the terms and conditions of the appointment, termination or retirement of executive officers.

### **3.7 Succession Planning**

Recommend to the Board of Directors a development and succession plan for executive officers and monitor the application of that plan.

### **3.8 Benchmark Group**

Oversee the selection of any benchmark group used to determine compensation or any other element of compensation, and monitor disclosure on such group.

### **3.9 Position Description**

Recommend to the Board of Directors the Chief Executive Officer's position description.

### **3.10 Pension Plans**

Review the defined contribution or defined benefit pension plans and, if necessary, make recommendations thereon to the Board of Directors. At the invitation of the Board of Directors or senior management, make recommendations to the Board of Directors or management on the other retirement benefit programs for officers or employees.

### **3.11 Management Proxy Circular**

Approve the annual report on executive compensation that must be included in the Management Proxy Circular.

### **3.12 Duties Related to the Mandate**

Perform any other duty related to its mandate under this Charter or the applicable regulations as well as any other mandate the Board of Directors may entrust to it from time to time.

### **3.13 Evaluation of the Committee's Performance**

Ensure that there is a process for evaluating the Committee's performance annually.

### **3.14 Review of Mandate**

Periodically review its mandate and, if necessary, make recommendations to the Board of Directors on that or any other human resources matter considered of interest to the Corporation.

### **3.15 Delegation**

If the Committee deems it appropriate, delegate to a sub-committee or to one of the members of the Committee any responsibility incumbent upon it along with such powers as it may deem necessary to discharge the said responsibility.

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