

## SRHI INC.

### CORPORATE GOVERNANCE, COMPENSATION AND NOMINATING COMMITTEE CHARTER

(Adopted by the Board effective June 25, 2020)

#### 1. Mandate and Purpose of the Committee

The Corporate Governance, Compensation and Nominating Committee (the "**Committee**") of the Board of Directors (the "**Board**") of SRHI Inc. (the "**Company**") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its responsibilities relating to:

- (a) the process and structure used to oversee the management of the business affairs of the Company in the best interests of the Company where the process and structure define the division of power between, and establish mechanisms for achieving accountability by, the Board and senior management;
- (b) the recruitment and performance evaluation of the Chief Executive Officer (the "**CEO**") and other senior officers of the Company;
- (b) the development of the Company's compensation structure for senior officers of the Company; and
- (c) the development of the Company's compensation structure for non-management, independent directors.

#### 2. Authority

The Committee has the authority to engage and compensate any outside adviser that it determines to be necessary or advisable to carry out its duties. The Committee has the authority to delegate to individual members or subcommittees of the Committee.

#### 3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company.

Each member of the Committee shall be independent. "**Independent**" shall have the meaning, as the context requires, given to it in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time (including any successor rule or policy thereto).

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

The Committee shall meet as many times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 24 hours (excluding holidays) prior to the time fixed for such meeting.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Reporting to Shareholders**

If necessary, the Committee, with the assistance of management and any outside advisers the Committee deems appropriate, shall prepare a compensation report to be mailed to shareholders as part of the management information circular prepared for the annual meeting of shareholders.

#### **8. Duties and Responsibilities**

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

- (a) reviewing the Company's overall compensation philosophy;
- (b) overseeing the evaluation of the Company's CEO and determining the compensation of the CEO;

- (c) in consultation with the CEO, overseeing the evaluation of the Company's senior officers and determining the compensation of senior officers other than the CEO;
- (d) reviewing the adequacy, amount and form of compensation paid to each independent director (and considering whether such compensation realistically reflects the time commitment, responsibilities and risks of directors) and making recommendations to the Board thereon;
- (e) making recommendations to the Board with respect to the adoption or amendment of incentive compensation plans;
- (f) making recommendations to the Board with respect to the adoption or amendment of equity-based compensation plans, including the designation of those who may participate in such plans and the issuance of incentive options in accordance with such plans;
- (g) reviewing executive compensation disclosure information before the Company publicly discloses the information;
- (h) requesting and directing management of the Company to provide information to the Committee and its professional advisors;
- (i) requesting management to take such actions as the Committee considers necessary or advisable for the proper performance by the Committee of its responsibilities hereunder; and
- (j) doing any other such things as the Committee may deem necessary or advisable so as to allow the Committee to properly perform its responsibilities;

### ***Composition and Qualifications for the Board***

The Committee shall develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills, diversity and experience of the Board members, retirement dates and the strategic direction of the Company, and report to the Board thereon at least annually.

The Committee shall undertake an annual examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board.

### ***Compensation of Board Members***

In consultation with the Compensation Committee, the Committee shall recommend to the Board the remuneration (fees and/or retainer) to be paid to and the benefits to be provided to directors.

### ***Annual Assessments***

The Committee, in consultation with the Chair, shall endeavour to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties. In connection with these evaluations, each director shall be requested to provide his or her assessment of the effectiveness of the

Board and each committee as well as the performance of the individual directors on an annual basis.

### ***Conflicts of Interest***

The Committee shall monitor conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics.

### ***Annual Nominations***

Based on the guidelines referred to in this Charter, the Committee shall, in consultation with the Chair of the Board and the Chief Executive Officer (the "**CEO**"), annually or as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of shareholders.

In making its recommendations, the Committee shall: (i) consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess; (ii) consider the competencies and skills that the Board considers each existing director to possess (including the personality and other qualities of each director); (iii) review the qualifications of candidates suggested by members of the Board, shareholders, management and others and assess what competencies and skills each new nominee will bring to the boardroom; and (iv) consider the appropriate size of the Board, with a view to facilitating effective decision-making. The Committee shall also consider whether or not a new nominee can devote sufficient time and resources to his or her duties as a Board member.

In order to promote the Company's objective of gender diversity, as described in the Company's Diversity Policy, the Committee shall compile a short-list identifying potential candidates for appointment/nomination that includes at least one female candidate for each available Board seat. If, at the end of the selection process, no female candidates are selected, the Committee must be satisfied that there are objective reasons to support this determination.

The Committee may also recommend for Board approval the removal of a director from the Board or from a Board Committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

The Committee shall also, in consultation with the Chair of the Board and the Lead Director, annually or as required, recommend to the Board, the appropriate size for each of the committees and the individual Directors to serve on each committee.

On an annual basis, the Committee will (i) assess the effectiveness of the Board appointment/nomination process at achieving the Company's diversity objectives (as described in the Company's Diversity Policy) and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board. At any given time the Committee may seek to adjust one or more objectives concerning the Board's diversity and measure progress accordingly.

### ***Director Resignation***

In an uncontested election of Directors, any nominee for Director who does not receive a greater number of votes "for" his or her election than votes "withheld" from such election (a "**Majority Withhold Vote**") shall immediately tender his or her resignation to the Board of Directors following the Company's annual meeting, such resignation to be effective upon acceptance by the Board of Directors. In this policy, an

“uncontested election” shall mean an election in which the number of nominees for Director shall be equal to the number of Directors to be elected. In a contested election, this policy shall not apply and nominees shall be elected by plurality voting.

The Committee shall promptly consider such tendered resignation and recommend to the Board of Directors the action to be taken with respect to such tendered resignation. The recommendation of the Committee may be, among other things, to (i) accept the resignation; (ii) defer acceptance of the resignation until a replacement Director with certain necessary qualifications held by the subject Director can be identified and elected to the Board of Directors; (iii) reject the resignation, but address what the Committee believes to be the underlying reasons for the failure of the Director to be re-elected; (iv) reject the resignation, but resolve that the Director will not be re-nominated in the future for election; or (v) reject the resignation. The Committee shall recommend acceptance of the resignation except in situations where exceptional circumstances would warrant the applicable director continuing to serve on the Board of Directors. If the Committee recommends that the Board of Directors accept the tendered resignation, the Committee shall also recommend to the Board of Directors whether or not to fill the vacancy resulting from the resignation.

In considering a tendered resignation, the Committee is authorized to consider all factors it deems relevant to the best interests of the Company, including without limitation (i) any stated reasons why shareholders withheld their vote with respect to the subject Director; (ii) what the Committee believes to be the underlying reasons for the Majority Withhold Vote, including whether these reasons relate to the incumbent Director’s performance as a Director, whether these reasons relate to the Company or another company, and whether these reasons are curable and alternatives for effecting any cure; (iii) the percentage of outstanding shares represented by votes cast and withheld from voting on the election of the subject Director; (iv) the tenure and qualifications of the Director; (v) the Director’s past and expected future contributions to the Company; (vi) the other policies of the Company; (vii) the overall composition of the Board of Directors, including whether accepting the resignation would cause the Company to fail to meet any applicable securities laws and rules of federal and provincial securities commissions and the Toronto Stock Exchange; and (viii) whether the resignation of the Director could result in the triggering of change in control or similar provisions under any contract by which the Company is bound or any benefit plan of the Company and, if so, the potential impact thereof.

Any Director who tenders his or her resignation pursuant to this policy shall not participate in any meeting of the Committee, if he or she is a member of the Committee, to consider the decision to recommend to the Board of Directors whether his or her resignation shall be accepted. However, such Director shall remain active and engaged in all other Committee and Board of Directors’ activities, deliberations and decisions during this Committee and Board of Directors process. If each member of the Committee received a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board of Directors whether to accept them, provided that if the only Directors who did not receive Majority Withheld Votes in the same election constitute three or fewer Directors, all Directors may participate in the action regarding whether to accept resignation offers.

The Board of Directors shall determine whether to accept or reject the Committee’s recommendation within 90 days following the date of the applicable meeting at which the election of directors was considered by shareholders. Any Director who tenders his or her resignation pursuant to this policy shall not participate in any meeting of the Board of Directors to consider the decision whether his or her resignation shall be accepted. In considering the Committee’s recommendation, the Board of Directors will consider the factors

considered by that Committee and such additional information and factors that the Board of Directors considers to be relevant and shall accept the resignation, absent exceptional circumstances. Following the Board of Directors' decision on the resignation, the Board of Directors shall promptly disclose, via press release, its decision whether to accept the Director's resignation offer including fully stating the reasons for rejecting the resignation offer, if applicable. A copy of such press release shall be provided to the Toronto Stock Exchange. If a resignation is accepted, the Board of Directors may (i) leave the resultant vacancy in the Board of Directors unfilled until the next annual meeting of shareholders of the Company; (ii) fill the vacancy through the appointment of a Director whom the Board of Directors considers to merit the confidence of the shareholders of the Company; or (iii) call a special meeting of the shareholders of the Company to consider the election of a nominee recommended by the Board of Directors to fill the vacant position.

### ***Corporate Governance Overview***

The Committee shall conduct a periodic review of the Company's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. The Committee shall review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a Committee thereof.

The Committee shall review the disclosure in the Company's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance.

The Committee shall propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board.

The Committee shall conduct a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner.

### ***Functioning of Committee***

The Committee shall have unrestricted access to Company personnel and documents and the resources necessary to carry out its responsibilities.

### ***Education of Board Members***

The Committee shall review, monitor and make recommendations regarding new director orientation and the ongoing development of existing Directors.

In consultation with the Board, the Committee shall ensure that all new directors receive a comprehensive orientation enabling them to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make, and the nature and operation of the Company's business.

In consultation with the Board, the Committee shall provide continuing education opportunities for all directors, so individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Company's business remains current.

### ***Responsibilities of Board, Committees, CEO, Lead Director and Chair***

The Committee shall review annually the Board of Directors Mandate and the Charters for each Committee of the Board, together with the Position Descriptions of the CEO, Lead Director and Chair of the Board, and where necessary, recommend changes to the Board, taking into account all applicable legislative and regulatory requirements, as well as any guidelines recommended by regulators or the Toronto Stock Exchange. In addition, the Committee shall recommend procedures to ensure that the Board and the committees function independently of management.

### ***Succession Planning***

The Committee shall make recommendations for approval by the Board with respect to succession planning for the CEO (including when necessary the appointment of a new CEO or the dismissal of the existing CEO) and other management. The Committee shall take into consideration the diversity of the Company's senior management when making recommendations with respect to succession planning.

On an annual basis, the Committee shall (i) assess the effectiveness of the senior management appointment process at achieving the Company's diversity objectives (as described in the Company's Diversity Policy) and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management. At any given time the Committee may seek to adjust one or more objectives concerning senior management diversity and measure progress accordingly.

### ***Review of Breaches of the Code of Business Conduct and Ethics***

The Committee shall receive reports from the CEO regarding breaches of the Code of Business Conduct and Ethics, and shall in turn report those breaches to the Board. The Committee shall review investigations and any resolutions of complaints received under the Code of Business Conduct and Ethics and report annually to the Board thereon.

## **9. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.