

## LYDIAN INTERNATIONAL LIMITED

### CHARTER OF THE COMPENSATION COMMITTEE

#### I. PURPOSE

The Compensation Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Lydian International Limited (the “**Company**”) to assist the Board in fulfilling its oversight responsibilities relating to review of the compensation and benefits of directors, executive management, and to establish a plan of executive compensation that is competitive and motivating in order to attract, retain and inspire executive management and key employees. This charter (the “**Charter**”) sets forth the purposes, composition, responsibilities, and authority of the Committee.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

#### II. COMPOSITION AND MEETINGS

The composition of the committee and its meeting shall be as follows:

- (a) 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 be independent and shall appoint from among themselves a member who shall serve as Chair.
- (b) The Committee members will be appointed annually by the Board at the first meeting of the Board following the annual general meeting of shareholders (each an “Annual Meeting”) to hold office until the Annual Meeting of the immediately following year. The Board may remove a Committee member at any time and may fill any vacancy occurring on the Committee. A Committee member may resign at any time and a Committee member will automatically cease to be a member upon ceasing to be a director of the Company.
- (c) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission, the Toronto Stock Exchange, the Companies (Jersey) Law 1991 and all other applicable corporate and securities regulatory authorities.
- (d) The Committee shall meet at least biannually, 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. A minimum of two and at least 50% of the members of

the Committee present either in person or by telephone, or other communication equipment shall constitute a quorum.

- (e) If within one hour following 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 next 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 following 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.
- (f) If and whenever a vacancy shall occur, the Chair of the Committee shall promptly request of the Board to designate a replacement. Until such time as the Board acts to fill a vacancy, the remaining members of the Committee may exercise full authority of the Committee so long as a quorum remains in effect.
- (g) 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 communication equipment, 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 telephone or other communication equipment or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) The members of the Committee are expected to attend all meetings of the Committee unless prior notification is provided. Any member of the Committee may participate in the meeting of the Committee by means of 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.
- (i) 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.
- (j) The Committee may invite such independent consultants or advisors as it deems appropriate to carry out its duties and responsibilities.
- (k) 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. All

decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

- (l) The Committee shall meet in camera as needed with only compensation advisors, or only management, and with only the members of the Committee at each Committee meeting where, and to the extent that, such parties are present if necessary.

### **III. COMPENSATION COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Committee shall have the following responsibilities:

- (a) Develop, review, and approve, on an annual basis, a compensation philosophy and corporate goals and objectives relevant to executive management compensation. Evaluate the performance of the CEO and executive officers in light of those goals and objectives and set, or recommend to the Board, the compensation level for executive management based on this evaluation.
- (b) Review and recommend compensation packages for the executive and non-executive directors that realistically reflect the responsibilities and risks involved in being an executive director or non-executive director and, as appropriate, a member of a committee. Such packages may include:
  - i. Annual base salary;
  - ii. Rewards, bonuses, special payments, benefits, and other measures available to reward individuals and teams following a particularly outstanding business contribution;
  - iii. Share participation via the Corporation's stock compensation plans;
  - iv. Reimbursement for any expenses incurred in the course of the executive director's duties.
- (c) Review and recommend to the Board, the initial compensation package of new direct reports to the CEO.
- (d) Review management's recommendation for, and recommend to the Board for approval, establishment of any share-based compensation plan, or other incentive compensation plans, including recommendations as to grants pursuant to such plans and the adoption or amendment of such plans.
- (e) Review and make recommendations to the Board for approval the Compensation Discussion & Analysis disclosure contained in the Corporation's annual proxy materials (Information Circular).
- (f) Review the Company's structure and report any significant organization changes to the Board.

- (g) Review and assess the adequacy of this Committee and its Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
- (h) Perform any other activities consistent with this Charter, the Company’s articles and governing law, as the Committee or the Board deems necessary or appropriate, including but not limited to the engagement, at the expense of the Corporation, independent counsel and advisors.
- (i) Report regularly to the Board.

**IV. RESPONSIBILITIES OF THE COMPENSATION COMMITTEE CHAIR**

The Chair of the Committee is responsible for managing the Committee, including:

- (a) Chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) Developing a calendar to schedule out the activities of the Committee for the ensuing year;
- (c) Providing direction to management to prepare an appropriate agenda for Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format, and detail;
- (d) Acts as liaison and maintains communication with the Chair of the Board and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee;
- (e) Ensures that the members of the Committee understand and discharge their duties and obligations.

**V. ANNUAL CALENDAR**

Agenda Item	Calendar Year				As Needed
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	
Develop and review the compensation philosophy, corporate goals and objectives for executive management	X				
Review and recommend to the Board compensation packages for the executive management and non-executive directors	X				X

Review and recommend establishment or changes to of any share-based compensation plans.					X
Review and recommend to the Board the Compensation Discussion & Analysis disclosure.		X			
Review and assess the adequacy of this Committee and its Charter.			X		
Assess the effectiveness of the Committee and its members.	X				

This Charter was reviewed and approved by the Board on November 8, 2017.