



# **GEMXX**

## **CORPORATION**

### **CORPORATE GOVERNANCE & COMPENSATION COMMITTEE TERMS OF REFERENCE**

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APRIL 2021



### **GEMXX Corporation (the “Corporation”)**

#### **1. Composition And Process**

- (a) This Committee shall be composed of at least two (2) members of the Board of Directors (the “**Board**”), half of which members will be independent. “Independent” generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.
- (b) Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
- (c) The Chair shall be a director appointed by the Board for a one-year term and may serve any number of consecutive terms.
- (d) The Chair shall, in consultation with management and the members of the Committee, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.
- (e) The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the President and the Chief Executive Officer, or such other officer acting in that capacity (“**CEO**”).

#### **2. Authority**

- (a) Appointed by and reporting to the Board.
- (b) The Committee shall have unrestricted access to the Corporation’s personnel and documents and will be provided with the resources necessary, including the ability to engage and compensate at the expense of the Corporation any outside advisors, in order to carry out its responsibilities.

#### **3. Responsibilities**

- (a) In respect of compensation matters, to review and provide recommendations to the Board on the following matters:
  - (i) Compensation policies and guidelines for supervisory and management personnel of the Corporation and its related entities;
  - (ii) Corporate benefits, bonuses and other incentives, including stock options - in its review, the Committee shall consider appropriate peer groups as a basis for compensation comparisons, and shall also include factors such as the individual’s skills, experiences, and contributions to the Corporation;

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- (iii) Reviewing and approving corporate goals and objectives relevant to the President and CEO compensation, evaluating the President and CEO's performance in light of those corporate goals and objectives and determining the President and CEO's compensation level based on this evaluation;
  - (iv) Non-President and Non-CEO officer and director compensation, incentive compensation plans and equity-based plans;
  - (v) The review of executive compensation disclosure before the Corporation publicly discloses such information;
  - (vi) Succession plans for the officers and for key employees of the Corporation; and
  - (vii) Any material changes or trends in human resources policy, procedure, compensation and benefits.
- (b) In respect of corporate governance matters, to review and provide recommendations to the Board on the following matters:
- (i) Preparing the Corporation's response to applicable securities laws or stock exchange rules when required, and explaining as required any differences between the Corporation's governance system and policies and the recommended governance standards by securities regulators;
  - (ii) Developing and monitoring the Corporation's general approach to corporate governance issues as they may arise;
  - (iii) Proposing changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensuring that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness;
  - (iv) Ensuring that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Corporation;
  - (v) Ensuring that the Corporation has in effect adequate policies and procedures to allow the Corporation to meet all of its continuous disclosure requirements;
  - (vi) Ensuring that the Corporation has in effect adequate policies and procedures to identify and manage the principal risks of the Corporation's business;
  - (vii) Developing and monitoring the Corporation's policies relating to trading in securities of the Corporation by insiders as well as communication and confidentiality;
  - (viii) Annually reviewing areas of potential personal liability of directors and ensuring reasonable protective measures are in place;
  - (ix) Causing the Board to annually review its definition of an "independent" director;

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- (x) Developing written corporate governance guidelines and the mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Corporation and considers (i) measures for receiving feedback from stakeholders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;
- (xi) Developing clear position descriptions for the Chairman of the Board and the Chair of each Board Committee, and together with the President and the CEO, developing a clear position description for the President and the CEO, which includes delineating management's responsibilities and developing the corporate goals and objectives that the President and the CEO is responsible for meeting;
- (xii) Assessment of the Board, its committees and each individual director in respect of effectiveness and contribution;
- (xiii) Developing a comprehensive orientation and continuing education program for all directors;
- (xiv) Developing a written code of business conduct and ethics that is applicable to all directors, officers and employees of the Corporation;
- (xv) Developing and monitoring the Corporation's policies related to the prospective recruitment and recommendation of new member to fill Board vacancies as required; and
- (xvi) Periodically considering the need for special policies of the Corporation, initiated by the Board, in unique or emerging policy areas such as corporate ethics, gender equality and sexual harassment.

### 4. Meetings

- (a) The Committee will meet at least once per year. In addition, the independent directors of the Committee may consider holding regularly scheduled meetings or holding *in camera* sessions at regular Board meetings at which non-independent directors and members of management are not in attendance. All decisions and recommendations from such meetings shall be presented to the entire Board of Directors. All meetings will be scheduled to permit timely consideration of topics or responsibilities. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member of the Committee.
- (b) A quorum at meetings of the Committee shall be its Chair and one of its other members. The Committee may hold its meetings, and members of the Committee may attend such meetings, by teleconference.

### 5. Reporting

- (a) Report, through the Chair of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee.

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- (b) Report annually to the Board on the Committee's responsibilities and how it has discharged them.
- (c) Review the Committee's Terms of Reference annually and propose recommended changes to the Board.