



RESTATED CHARTER OF THE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE OF BOARD OF DIRECTORS

POLICY REFERENCE: GP03 – 2019

NOVEMBER ●, 2019



RESTATED CHARTER OF THE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE OF BOARD OF DIRECTORS

I. ADOPTION

This restated Governance, Nominating and Compensation Committee (the **"GNC Committee"**) Charter (this **"Charter"**) has been adopted by the board of directors (the **"Board"**) of Chesswood Group Limited (the **"Corporation"**) as of November • 2019 and is subject to annual review and approval by the GNC Committee and the Board, respectively.

II. BACKGROUND

The Corporation is incorporated under the laws of the Province of Ontario and has succeeded to the various ownership interests of Chesswood Income Fund as a result of the conversion of such fund into a corporate structure through a plan of arrangement.

The Corporation has ownership interests in various operating entities (the Corporation and its direct and indirect subsidiary entities are collectively referred to herein as the **"Corporation Entities"**).

III. PURPOSE

The GNC Committee is a committee of the directors of the Corporation (the **"Directors"**) and is appointed by the Directors to assist the Board in fulfilling its oversight responsibilities relating to (i) development and implementation of sound corporate governance practices, (ii) Director nomination process, (iii) the compensation of the Directors, officers and senior management of the Corporation, (iv) the administration of the compensation plans for the officers and senior management of the Corporation Entities, including stock/unit option plans, long-term incentive plans and such other compensation plans as are adopted by the Corporation Entities from time to time and (v) policies for management benefits and perquisites.

The GNC Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Part VI (**"Responsibilities and Duties"**) of this Charter. The primary function of the GNC Committee is to assist the Directors in fulfilling their legal and fiduciary obligations and responsibilities.

IV. COMPOSITION AND MEETINGS

The GNC Committee will be composed of three or more Directors as shall be determined by the Directors from time to time, all of whom must be Independent (as defined below). In accordance with National Instrument 58-101, a Director is considered “**Independent**” to the Corporation if he or she has no direct or indirect “material relationship” with any of the Corporation Entities which could, in the view of the Directors, reasonably interfere with the exercise of his or her independent judgment. Notwithstanding the foregoing, a Director will be deemed to have a “material relationship” with the Corporation (and therefore be considered as not Independent) if he or she falls in one of the categories listed in Schedule “A” attached hereto.

The members of the GNC Committee shall be elected by the Directors at the annual organizational meeting of the Directors or until their successors are duly elected and qualified. Unless a Chairman is elected by the Directors, the members of the GNC Committee may designate a Chairman by majority vote of the full GNC Committee membership.

The GNC Committee is to meet as frequently as circumstances require (but at least semi-annually).

Quorum for the transaction of business at any meeting of the GNC Committee is the presence in person or by telephone or other communication equipment of a majority of the number of members of the GNC Committee or such greater number as the GNC Committee shall by resolution determine.

If within one hour of the time appointed for a meeting of the GNC 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, the quorum for the adjourned meeting will consist of the members then present.

If and whenever a vacancy exists, the remaining members of the GNC Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Notice of a meeting of the GNC Committee may be given verbally, in writing or by telephone, email or other means of communication, and need not specify the purposes of the meeting.

Any written materials provided to the GNC Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed in advance of the respective meeting with sufficient time to allow GNC Committee members to review and understand the information.

Minutes are to be kept of meetings of the GNC Committee which are to be submitted to the Directors. The GNC Committee may, from time to time, appoint any person, who need not be a member, to act as secretary at any meeting.

All decisions of the GNC Committee will require the vote of a majority of its members present at a meeting at which a quorum is present.

V. AUTHORITY OF THE GNC COMMITTEE

The GNC Committee has the authority to (a) engage independent counsel and other advisors (including, without limitation, outside compensation specialists) as it determines necessary to carry out its duties; (b) set and pay the compensation for any advisors employed by it; and (c) communicate directly with the Corporation's internal and external auditors.

The GNC Committee also has the authority to conduct or authorize investigations into any matters within the scope of its responsibilities.

The GNC Committee may request the external auditors as well as any Director or member of management of any Corporation Entity, outside counsel of the Corporation or others, to attend a GNC Committee meeting or to meet with members of, or advisors to, the GNC Committee and to provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the GNC Committee are to have full access to the books and records of the Corporation Entities and are to be permitted to discuss such information and any other matters relating to the financial position of the Corporation Entities with senior employees, management and external auditors and advisors of the Corporation Entities.

VI. RESPONSIBILITIES AND DUTIES

To fulfill their responsibilities and duties, the GNC Committee is expected to:

General Responsibilities

1. Review and assess this Charter at least annually, as conditions dictate, and submit any proposed revisions to the Board for approval.
2. Create an agenda for each meeting and for the ensuing year.
3. Report periodically (but no less frequently than annually) to the Board as to its work and its recommendations.

Governance Responsibilities

4. Consider annually the appropriateness of the number of Directors as well as the number of Independent Directors.
5. Review the composition of the Board and ensure it meets the Independence criteria.

6. Ensure that the Board and its committees have a written mandate and written charters, respectively, reviewed by the GNC Committee and approved by the Board on an annual basis
7. Ensure that clear position descriptions are developed for the Chairs of the Board and each Board committee and for the Chief Executive Officer and Chief Financial Officer of the Corporation.
8. Facilitate the independent functioning and maintain an effective relationship between the Directors and management of the Corporation.
9. Assess the effectiveness of the annual agendas of the Board and its committees to ensure that all related elements of the Board mandate and Committee charters are being properly addressed throughout the year.
10. Assess, at least annually, the composition and effectiveness of the Board, committees of the Board and the contribution and qualification of individual Directors, including making recommendations, where appropriate, that sitting Directors be removed or not re-appointed.
11. Keep up to date with regulatory requirements and other new developments in governance and develop and review the quality of the Corporation's governance and suggest changes to such governance practices as determined appropriate.
12. Ensure that disclosure and securities compliance policies, including communications policies, are in place and that such policies are reviewed annually.
13. Ensure that the Board and its committees have adequate resources, including the adequacy of the information provided to them with respect to the oversight of management.
14. Monitor and review feedback provided by the Corporation's various stakeholders and review the means by which shareholders of the Corporation ("**Shareholders**") can communicate with the Corporation (including at annual meetings, communication interfaces through the Corporation's website) and the adequacy of resources available within the Corporation to respond to Shareholders.
15. Ensure that all new Board members receive a comprehensive orientation and all Board members are provided with continuing education opportunities.

Nominating Responsibilities

16. Establish competencies and skills the Directors, as a group, should possess.
17. Assess competencies and skills of each of the existing Directors as well as of the Directors, as a group, recognizing the personality and other qualities of each Director.

18. Establish procedures for identifying possible nominees who meet these criteria (and who are likely to bring the competencies and skills the Corporation needs as a whole).
19. Establish an appropriate review and selection process for new nominees for election as Directors.
20. Analyze the needs of the Corporation when vacancies arise among the Independent members and identify and recommend nominees who meet such needs for election as Independent members.

Compensation Responsibilities

21. Review and recommend to the Board the compensation of the Directors, including annual retainer, meeting fees, option grants and other benefits conferred.
22. Review and recommend to the Board the compensation (including long-term incentive compensation, option grants, perquisites and other benefits) for the officers and senior management of the Corporation Entities.
23. Review compensation disclosure relating to the Directors, officers and senior management of the Corporation Entities before the Corporation publicly discloses this information.
24. Review and approve the Corporation Entities' compensation strategies and the supporting policies including any changes from time to time to such strategies and compensation policies.
25. Review and approve the goals and objectives for the officers and senior management of the Corporation Entities.
26. Review and assess the performance of the officers and senior management of the Corporation Entities against their goals and objectives.
27. Review and approve goals for succession planning, including the appointment, training and monitoring of the officers and senior management of the Corporation Entities.
28. Assess insurance coverage for Directors, and the officers of the Corporation, and make recommendations for its renewal, amendment or replacement.
29. Review the policies and practices with respect to the indemnification of Directors, and the officers of the Corporation, and for approving any payments to be made pursuant to such policies and practices.

VII. OTHER RESPONSIBILITIES

While the GNC Committee has the responsibilities and duties as set out in this Charter, it shall perform any other activities consistent with this Charter, the Business Corporations Act (Ontario), the constating documents of the Corporation and all applicable legal, regulatory and listing requirements (including, without limitation, those of the Ontario Securities Commission and the Toronto Stock Exchange), as they or the Board deem necessary or appropriate.

VIII. CAVEAT

This Charter is a broad policy statement and is intended to be part of the GNC Committee's flexible governance framework. While this Charter should comply with applicable laws, regulations and stock exchange requirements, and the Corporation's articles and by-laws, this Charter does not create any legally binding obligations on the GNC Committee, the Board or the Corporation.

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APPENDIX “A” MEANING OF “MATERIAL RELATIONSHIP”

A “material relationship” is a relationship that could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment. The following individuals are considered to have a material relationship with the issuer:

- A. an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- B. an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- C. an individual who: (i) is a partner of a firm that is the issuer’s internal or external auditor, (ii) is an employee of that firm, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- D. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: (i) is a partner of a firm that is the issuer’s internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- E. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- F. an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12-month period within the last three years.

An individual will not be considered to have a material relationship with the issuer solely because (a) he or she had a relationship identified above if that relationship ended before March 30, 2004; or (b) he or she had a relationship identified above by virtue of such relationship being with a subsidiary entity or a parent of that issuer, if that relationship ended before June 30, 2005.

An individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member (a) has previously acted as an interim chief executive officer of the issuer, or (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

For the purposes of “C” and “D” above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purposes of “F” above, direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Despite any determination made whether an individual has a material relationship with an issuer, an individual who (a) accepts directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer. The indirect acceptance by an individual of any such consulting, advisory or other compensatory fee includes acceptance of a fee by (a) an individual’s spouse, minor child or stepchild, or a child or stepchild who shares the individual’s home; or (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

“**company**” - any corporation, incorporated association, incorporated syndicate or other incorporated organization;

“**control**” - the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;

“**executive officer**” of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity;

“**issuer**” includes a subsidiary entity of the issuer and a parent of the issuer;

“**person**” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative; and

“**subsidiary entity**” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.