



**NFI GROUP INC.**

---

**HUMAN RESOURCES, COMPENSATION AND CORPORATE  
GOVERNANCE COMMITTEE CHARTER**

---

**Revised by the Board of Directors on November 10, 2020.**

## **NFI GROUP INC.**

### **HUMAN RESOURCES, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

In this document, the “Board” refers to the board of directors of NFI Group Inc. (the “Issuer”).

For the purpose of this Charter, the term “independent” shall have the meaning given to it in Multilateral Instrument 52-110 - *Audit Committees*, as adopted by the Ontario Securities Commission, or other applicable securities regulations from time to time.

#### **1. RESPONSIBILITY**

The Human Resources, Compensation and Corporate Governance Committee (the “Committee”) is responsible for:

- establishing director qualifications;
- identifying candidates for membership on the Board;
- recruiting directors for Board committees and filling vacancies;
- assisting in educating directors and assessing their performance on an ongoing basis;
- performing assessments of the Board, board committees and individual directors;
- making recommendations to the Board on compensation to be paid to directors, members and chairpersons of Board committees;
- overseeing compensation risk, talent management risk and succession risk;
- reviewing and approving employment agreements for the members of the Issuer’s executive leadership team (the “ELT”);
- administering the Issuer’s long term incentive plan (“LTIP”) and making recommendations to the Board with respect to other incentive compensation plans and equity-based plans and approving all awards under such plans;
- reviewing and approving all other benefit plans and other perquisites granted to the members of the ELT;
- reviewing and approving corporate goals and objectives relevant to Chief Executive Officer (“CEO”) compensation, evaluating the CEO’s performance in light of those corporate goals and objectives, and making recommendations to the Board with respect to the CEO’s compensation level based on this evaluation;

- reviewing and recommending to the Board for approval the compensation of the members of the ELT;
- reviewing executive compensation disclosure before the Issuer publicly discloses this information;
- reviewing and approving the succession process and plan for the ELT. The selection of the successor to the CEO shall be reviewed and recommended to the Board for approval;
- overseeing the programs, policies and practices relating to the Issuer’s human capital management across its operations;
- reviewing and approving the employee training and development process;
- reviewing processes to improve employee employment satisfaction and monitor results of employee satisfaction surveys and metrics;
- reviewing and recommending to the Board the guidelines and practices relating to environmental and employee health and safety matters; monitoring the Issuer’s (i) performance against the guidelines and practices and (ii) compliance trends; and alerting the audit committee to material environmental matters consistent with its risk management and financial reporting oversight responsibilities;
- reviewing and recommending to the Board the guidelines and practices related to corporate social responsibility matters;
- shaping the Issuer’s approach to corporate governance and recommending to the Board corporate governance principles to be followed by the Issuer and its subsidiaries;
- reviewing and approving related party transactions and potential conflict of interest situations that are not otherwise dealt with pursuant to securities law rules;
- overseeing the operation of the Issuer’s Code of Business Conduct and Ethics (the “Code”) and approving any waivers for officers or directors;
- performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

## **2. MEMBERS**

The Board must appoint a minimum of three directors, all of whom will be independent of the Issuer, to be members of the Committee. The members of the Committee shall be selected by the Board in compliance with the requirements of the by-laws of the Issuer.

### **3. CHAIRPERSON**

The Committee shall appoint one member to be chairperson (the “Committee Chair”). If, in any year, the Committee Chair is not appointed, the incumbent Committee Chair shall continue in office until a successor is appointed.

### **4. TENURE**

Each member shall hold office until his or her term as a member of the Committee expires or is terminated.

### **5. REMOVAL AND VACANCIES**

Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.

### **6. DUTIES**

The Committee will have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

#### **(a) Establish Director Qualifications**

The Committee shall from time to time establish the qualification standards for directors relating to, among other things, the competencies, skills and personal qualities that should be sought in candidates for Board membership.

#### **(b) Identify Candidates and Nominate Directors**

The Committee shall develop and recommend to the Board from time to time a list of candidates for Board membership with a view to maintaining or enhancing the independence and quality of nominees. In developing a list of candidates, the Committee shall identify the skills and competencies that should be possessed by the Board, assess the skills and competencies possessed by existing directors, and consider the skills and competencies of each candidate. The Committee will also consider criteria that promote diversity, including gender, age, ethnicity and geographic and indigenous background, as set forth in the Board of Directors Diversity Policy. The Committee should also determine if each candidate would be an independent director.

The Committee Chair, with the assistance of the chairperson of the Board (the “Board Chair”) and one or more other directors appointed by the Board, should approach candidates for Board membership, with or without the CEO of the Issuer, to:

- explore the candidates’ interest in joining the Board and seek their consent to act as a director; and

- confirm that interested candidates understand the role of a director and the contribution a director is expected to make, including the commitment of time and energy that the Issuer expects of its directors.

**(c) Recruit Directors for Board Committees and Filling Vacancies**

The Committee will recommend to the Board those directors the Committee considers qualified for appointment to the audit committee of the Issuer (the “Audit Committee”) and this Committee, and those directors considered qualified for any other committees of the Board or the boards of the Issuer’s subsidiaries. Where a vacancy occurs at any time in the membership of any such committee, the Committee will recommend to the Board a director to fill such vacancy.

**(d) Orientation and Continuing Education of Directors**

The Committee Chair, with the assistance of the CEO, shall develop an orientation and continuing education program for all directors of the Issuer and its subsidiaries. This program will be articulated in a separate director orientation and continuing education policy that will be reviewed by the Committee on an annual basis.

The Committee should take steps to satisfy itself that:

- new directors are given a proper orientation to both the Issuer and its subsidiaries and their responsibilities and duties as directors;
- the Issuer is responsive to any requests from its directors or directors of its subsidiaries for continuing education opportunities; and
- opportunities are made available to directors to increase and improve their knowledge and understanding of governance, business and industry matters and issues.

**(e) Performance Assessment of the Board, Board Committees and Individual Directors**

The Committee will review on an annual basis the effectiveness of the Board and all committees of the Board, other than this Committee. The effectiveness of this Committee will be reviewed by the Board.

The Committee will evaluate directors on an ongoing basis to assess their suitability for re-election.

**(f) Compensation of Board Members**

This Committee shall review, and recommend to the Board, the compensation to be paid to directors, members and chairpersons of Board committees.

**(g) Board Succession Plan**

The Committee is responsible for reviewing, as required, a Board succession plan.

**(h) Employment Agreements**

The Committee shall review and approve the employment agreements entered into between the Issuer and any subsidiaries and the ELT.

**(i) Incentive Compensation Plans and Equity-Based Plans**

The Committee shall:

- administer the LTIP;
- make recommendations to the Board with respect to adoption and amendment of the ELT incentive compensation plans and equity-based plans;
- make recommendations to the Board with respect to any employment inducement option awards or equity-compensation plans; and
- make recommendations to the Board with respect to all ELT incentive bonus plans and all awards under such plans.

As part of this process, the Committee will review incentive compensation plans and equity-based plans to assess whether they provide an appropriate balance of risk and reward relative to the Issuer's overall business and operational strategy and objectives, without encouraging the ELT to take unnecessary or excessive risks.

**(j) Benefit Plans and Perquisites**

The Committee shall review and approve all benefit plans, other than incentive compensation plans and equity-based plans dealt with under subparagraph (a) above, designed primarily for the ELT and any other perquisites granted to the members of the ELT.

**(k) Assessment and Compensation of the Chief Executive Officer**

The Committee shall:

- together with the CEO, review the position description for the CEO which sets out the CEO's authority and responsibilities;
- review and approve the corporate goals and objectives that are relevant to the CEO's compensation; and
- evaluate the CEO's performance in meeting his or her goals and objectives set out in this section.

When determining the long-term incentive component of the CEO's compensation to recommend to the Board for approval, the Committee shall consider the Issuer's performance and relative securityholder return and the contribution of the CEO to long-term, sustainable shareholder value, including effective risk management, the value of similar incentive awards granted to the chief executive officers of comparable organizations and the awards given to the CEO in prior years.

**(l) Compensation of Members of the ELT**

The Committee shall, after obtaining the recommendation of the CEO, review and recommend to the Board for approval the compensation of the members of the ELT. The Committee should assess such compensation in light of scope of responsibility of the role, corporate and individual performance, the executive's skills and experience and the compensation paid to senior executives in comparable organizations.

**(m) Executive Compensation Disclosure**

The Committee shall review the executive compensation disclosure in the proxy circular and in offering documents of the Issuer before their public release.

**(n) Succession Planning**

The Committee shall review the organizational structure of the Issuer, review and approve the succession process and plan for the ELT and recommend policies and principles for the selection and performance review of the members of the ELT as well as policies regarding succession in the event of an emergency or the retirement of the CEO and for the appointment, training and monitoring of other members of the ELT. The selection process for the successor to the CEO shall be reviewed and recommended to the Board for approval.

**(o) Human Capital Management**

The Committee shall review and monitor the Issuer's human capital management programs, policies and practices, including those related to corporate culture, recruitment, engagement, retention, incentive, advancement and development. The Committee shall review and discuss with the ELT the Issuer's practices for supporting diversity and inclusion in the workplace as well as promoting a positive working culture across the organization.

**(p) Employee Training and Development Process**

The Committee shall review and approve the Issuer's employee training and development process.

**(q) Employee Employment Satisfaction**

The Committee shall review the processes and metrics developed and implemented by the Issuer for measuring and tracking employee employment satisfaction and shall monitor the results of such metrics.

**(r) Environmental and Employee Health and Safety Matters**

The Committee shall review and recommend to the Board for approval, as recommended by management, the significant environmental and employee health and safety guidelines and practices of the Issuer; monitor the Issuer's (i) performance against the guidelines, practices, procedures and metrics and (ii) compliance trends; and alert the audit committee to material environmental matters consistent with its risk management and financial reporting oversight responsibilities. The Committee's review shall include the following:

- the guidelines and practices relating to environmental protection, including the prevention of pollution and mitigation of climate change and conserving natural resources and energy required for the Issuer's operations;
- the employee health, safety and workplace hazards guidelines and practices to be followed in the conduct of operations, and which are directed to prevent any injury to employees, and to minimize any adverse employee safety impacts;
- the practices relating to the documentation and reporting of environmental and employee health and safety regulatory approvals, compliance and incidents;
- the practices relating to emergency response planning and procedures with respect to environmental and employee health, safety and workplace hazards matters;
- the status and assessment reports from management regarding significant environmental matters and employee health, safety and workplace hazards policies and the applicable legal and regulatory standards; and
- the environmental and employee health and safety audits, as well as the development of environmental and employee health and safety auditing processes.

**(s) Corporate Social Responsibility Matters**

The Committee has the authority and responsibility to review the Issuer's approach to corporate social responsibility matters, to review programs designed to promote corporate social responsibility and corporate citizenship and to make recommendations to the Board on matters such as:

- the status and adequacy of efforts to ensure the Issuer's business is conducted to meet high standards of ethics, and social and environmental responsibility;
- the Issuer's corporate citizenship strategy and reporting; and
- the development of corporate contributions and community involvement policies and programs of the Issuer.



**(t) Develop Approach to Corporate Governance**

The Committee has the authority and responsibility to review the Issuer’s overall approach to corporate governance and to make recommendations to the Board in this regard. Among other things, the Committee has the authority and responsibility to:

- develop or review the mandate of the Board, the charters of the Audit Committee, this Charter and any other committees of the Board and the Issuer’s subsidiaries and recommend to the Board the adoption of, or amendments to, the mandate and/or charters;
- examine the size of the Board and recommend a Board size that facilitates effective decision-making;
- study and recommend the implementation of structures and procedures to ensure that the Board can function independently of management of the Issuer’s subsidiaries and without conflicts of interest, including scheduling, at regular intervals, meetings of the Board without management of the Issuer present;
- monitor the relationship between officers of the Issuer’s subsidiaries and the Board, and recommend a process whereby the directors will have access to, and have an effective relationship with, management of the Issuer’s subsidiaries;
- be available as a forum for addressing the concerns of individual directors;
- work with the CEO and other members of management of the Issuer’s subsidiaries to ensure that the Issuer and its subsidiaries, have a healthy corporate governance culture; and
- monitor developments in the area of corporate governance and undertake other initiatives that may be desirable to maintain the highest standards of corporate governance.

**(u) Related Party Transactions and Conflicts of Interest**

The Committee shall review and approve in advance all material proposed related party transactions and potential conflict of interest situations that are not dealt with by a “special committee” of “independent directors” pursuant to securities law rules.

**(v) Code of Business Conduct and Ethics**

The Committee shall:

- oversee the operation of the Issuer’s Code that addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Issuer’s assets, compliance with applicable laws and the reporting of illegal or unethical behaviour, and also establish mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code;
- cause the Code to be posted on the Issuer’s website; and
- approve any material waivers of the Code that are sought by directors or officers.

**7. REPORTING**

The Committee shall report to the Board on:

- the effectiveness of the Board and all committees of the Board, other than this Committee;
- the compensation to be paid to directors of the Issuer and the members and chairpersons of Board committees;
- the review and its recommendation with respect to all ELT bonus plans;
- the review and approval of the corporate goals and objectives relevant to the CEO’s compensation;
- the review and its recommendation with respect to the compensation of the members of the ELT;
- the review and its recommendation with respect to the programs, policies and procedures relating to the Issuer’s human capital management;
- the review and approval of the Issuer’s guidelines and practices relating to employee safety matters as described herein;
- the preparation of the “Compensation Discussion and Analysis” and “Statement of Corporate Governance Practices” sections of the Issuer’s management information circular; and
- all other material matters dealt with by the Committee.

**8. REVIEW AND DISCLOSURE**

This Charter shall be reviewed by the Committee at least annually and be submitted to the Board for approval with such amendments as the Committee proposes.

This Charter may also be posted on the Issuer's website at the determination of the Committee.

**9. FREQUENCY OF MEETINGS**

The Committee shall meet as frequently as the Committee deems appropriate to accomplish its mandate. The Committee Chair or any two members may call a meeting.

**10. RETENTION OF EXPERTS**

The Committee may, subject to advising the Board Chair, engage such special legal, accounting or other experts, without Board approval and at the expense of the Issuer and its subsidiaries, as the Committee considers necessary to perform its duties.

## **POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER**

### **NFI GROUP INC.** (the “Issuer”)

#### **General**

The Chief Executive Officer of the Issuer (the “CEO”) will be appointed by the board of directors of the Issuer (the “Board”) and will have the competencies and skills recommended by the Human Resources, Compensation and Corporate Governance Committee of the Issuer (the “HR Committee”) and determined by the Board.

The fundamental responsibility of the CEO is the general direction and management of the business and affairs of the Issuer and its subsidiaries in accordance with the strategy and objectives approved by the Board within the authority limitations delegated by the Board. The CEO provides effective leadership for the Issuer to meet its stated objectives of providing securityholders with stable and growing monthly cash distributions, while enhancing the long-term value of the Issuer’s assets and maximizing the long term, sustainable value of securities of the Issuer. With the Chief Financial Officer of the Issuer (the “CFO”), the CEO sets the tone for fostering ethical and responsible decision making and appropriate management.

#### **Responsibilities**

The CEO will:

1. Demonstrate leadership values and integrity in all aspects of managing the Issuer and its subsidiaries in the best interests of its stakeholders.
2. With input from the Board, develop a multi-year strategic plan and an annual business plan.
3. Provide leadership and vision in setting, implementing and achieving the Issuer’s and its subsidiaries’ strategic objectives and distribution targets, developing and implementing sound operating and financial plans, designing an effective organizational structure, and determining annual operating budgets and resource levels for the Issuer and its subsidiaries to meet its short-term and long-term goals and objectives.
4. Identify business opportunities and plan and direct investigations and negotiations pertaining to capital investments, mergers, joint ventures, material acquisitions of businesses or the sale of major assets, and obtain Board approval of material transactions.
5. Set an operational philosophy that is performance driven and customer focused, while providing leadership to management in support of the Issuer’s commitment to its Code of Business Conduct and Ethics.
6. At the discretion of the securityholders and the Board, serve on the Board of the Issuer.

7. Communicate in a timely, candid and comprehensive fashion with the audit committee of the Issuer (the “Audit Committee”), the HR Committee and the Board on the progress of the Issuer towards the achievement of its strategic objectives and business plan.
8. Meet regularly with the chairperson of the Board (the “Board Chair”) and other Board members to ensure that the Board members are being provided with necessary information and resources to fulfill their responsibilities and statutory obligations.
9. On an ongoing basis, work with the Board Chair to develop schedules and agendas of meetings of the Board and its Committees and verify that all items requiring Board and/or Committee approval are appropriately tabled.
10. Serve as chief spokesperson and liaison for the Issuer, including effectively managing relations with the Issuer’s external stakeholders, such as securityholders, the Issuer’s employees, customers, suppliers, the investment community, the media, governments and the public generally.
11. Oversee the direction of the Issuer’s tax management and planning.
12. With the CFO and under the supervision of the Audit Committee:
  - establish and maintain the Issuer’s disclosure controls and procedures through appropriate policies and procedures, including the Issuer’s Disclosure and Insider Trading Policy;
  - identify all significant risks to the Issuer’s business and ensure that procedures are established to mitigate the impact of the risks in the best interest of stakeholders;
  - ensure the accuracy, completeness, integrity and appropriate disclosure of the Issuer’s financial statements and other financial information through appropriate policies and procedures; and
  - ensure that the Issuer has complied with all regulatory requirements for the Issuer’s financial information, reporting, disclosure requirements and internal controls over financial reporting.
13. Provide general supervision and management of the day-to-day business affairs of the Issuer and its subsidiaries within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board’s expectations of management.
14. With the CFO, direct and monitor the activities and resources of the Issuer, consistent with the strategic direction, financial limits and operating and financial objectives approved by the Board.

15. With the HR Committee:

- ensure, through supervision and performance assessment, that the Issuer and its subsidiaries have an effective senior executive leadership team (the “ELT”) and that there exists a plan of succession and development for the CEO, CFO and other members of the ELT;
- directing the selection and retention of the ELT;
- develop a compensation and benefit plan for the ELT which includes effective risk management as a component against which the ELT is evaluated;
- develop an effective training and development program for the Issuer’s employees;
- develop effective processes and metrics to track employment satisfaction of the Issuer’s employees;
- develop effective policies and procedures relating to the Issuer’s human capital management;
- develop effective guidelines and practices with respect to the Issuer’s employee safety practices; and
- develop effective processes and metrics to track customer satisfaction.

16. Provide required regulatory certifications regarding the Issuer and its activities.

17. Carry out any other appropriate duties and responsibilities assigned by the Board.