



## IPL PLASTICS INC.

### MANDATE OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

#### INTRODUCTION

The purpose of this mandate is to describe the principal duties and responsibilities of the human resources and remuneration committee (the "**Human Resources and Remuneration Committee**") of the board of directors (the "**Board**") of IPL Plastics Inc. (the "**Company**"), as well as some of the policies and procedures that apply to the Human Resources and Remuneration Committee in discharging its duties and responsibilities.

#### 1. MEMBERSHIP

- 1.1 The Human Resources and Remuneration Committee shall comprise at least three directors of the Company, all of whom shall be independent (as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as it may be amended or replaced from time to time). All members of the Human Resources and Remuneration Committee must have a working familiarity with human resources and compensation matters that enable them to provide input on the suitability of the Company's compensation policies and practices, and at least one must have direct experience in executive compensation matters. Members of the Human Resources and Remuneration Committee shall be appointed by the Board, on the recommendation of the Corporate Governance and Nominating Committee and in consultation with the chairman of the Human Resources and Remuneration Committee (the "**Committee Chairman**").
- 1.2 Only members of the Human Resources and Remuneration Committee have the right to attend committee meetings. However, other individuals such as the chief executive officer (the "**Chief Executive Officer**"), the head of human resources and external advisers of the Company may be invited to attend any meeting, as and when appropriate and necessary. The Human Resources and Remuneration Committee should meet *in camera* without members of management in attendance for a portion of each meeting of the Human Resources and Remuneration Committee and in any event no individual shall be present at meetings at which his or her compensation or performance is discussed or determined or shall be involved in any decisions related thereto.
- 1.3 In the absence of the Committee Chairman at a given meeting, the remaining members of the Human Resources and Remuneration Committee present at the meeting shall elect one of themselves to chair the meeting.
- 1.4 If a regular member is unable or unwilling to act due to absence, illness or any other cause, the Committee Chairman may, after consultation with the chairman of the Board, appoint another independent director of the Company to serve as an alternate member. Such alternate member shall meet the requirements of this mandate and applicable laws.
- 1.5 The Board may remove a member of the Human Resources and Remuneration Committee at any time and may fill any vacancy occurring on the Human Resources and Remuneration Committee.

A member of the Human Resources and Remuneration Committee may resign at anytime and a member will automatically cease to be a member of the Human Resources and Remuneration Committee upon ceasing to be a director of the Company.

- 1.6 The Human Resources and Remuneration Committee may delegate any or all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.

## **2. SECRETARY**

The secretary of the Company or his or her nominee shall act as the secretary of the Human Resources and Remuneration Committee (the "**Secretary of the Committee**").

## **3. QUORUM**

A majority of members will constitute a quorum for a meeting of the Human Resources and Remuneration Committee. A duly convened meeting of the Human Resources and Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Human Resources and Remuneration Committee. Each member will have one vote and decisions of the Human Resources and Remuneration Committee will be made by an affirmative vote of the majority. Powers of the Human Resources and Remuneration Committee may also be exercised by written resolutions signed by all members.

## **4. MEETINGS**

The Human Resources and Remuneration Committee shall meet at least twice a year and otherwise as the Committee Chairman shall require.

## **5. NOTICE OF MEETINGS**

- 5.1 Meetings of the Human Resources and Remuneration Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 5.2 Unless otherwise agreed, notice of each meeting confirming its venue, time and date together with an agenda of items to be discussed at such meeting, shall be forwarded to each member of the Human Resources and Remuneration Committee and any other person required to attend reasonably in advance of the meeting, together with supporting documents (if any). The Human Resources and Remuneration Committee may require officers and employees of the Company to produce such information and reports as the Human Resources and Remuneration Committee may deem appropriate in order to it to fulfill its duties.
- 5.3 The Human Resources and Remuneration Committee may meet by telephone conference call or by any other means permitted by law or the Company's bylaws.

## **6. MINUTES OF MEETINGS**

- 6.1 The Secretary of the Committee, or any other person acting in such capacity, and appointed by the Human Resources and Remuneration Committee, shall minute the proceedings and decisions of all meetings of the Human Resources and Remuneration Committee, including recording the names of those present and in attendance.

- 6.2 The Secretary of the shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so.

## **7. ANNUAL SHAREHOLDERS MEETING**

The Committee Chairman should attend the annual shareholders meeting of the Company to answer any shareholder questions on the Human Resources and Remuneration Committee's activities.

## **8. DUTIES**

The Human Resources and Remuneration Committee should carry out the duties below:

- 8.1 determine and recommend to the Board framework, policies and practices for the remuneration of the Company's chairman, Chief Executive Officer, secretary and such other members of the executive management as the Human Resources and Remuneration Committee is designated to consider;
- 8.2 in determining such framework, policies and practices, take into account all factors which the Human Resources and Remuneration Committee deems necessary including applicable legal and regulatory requirements and associated guidance. The objective of such framework, policies and practices shall be to (i) ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company; (ii) be competitive in attracting, retaining and motivating people of the highest quality; (iii) align the interest of the members of the executive management of the Company with the interests of the shareholders and the Company as a whole; (iv) identify and mitigate risks associated with the Company's compensation policies and practices and not encourage the taking of inappropriate or excessive risks; and (v) reflect pre-established corporate and individual performance objectives and goals;
- 8.3 oversee the selection of any benchmark group used in determining compensation or any element of compensation and review disclosure of such group;
- 8.4 review the ongoing appropriateness and relevance of the remuneration policies and practices;
- 8.5 review and approve annually corporate goals and objectives relevant to the Chief Executive Officer compensation, evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives, and determine (or make recommendation to the Board with respect to) the Chief Executive Officer's compensation level based on this evaluation;
- 8.6 within the terms of the agreed policies and in consultation with the chairman of the Board and/or the Chief Executive Officer, as appropriate, make recommendations to the Board with respect to non-CEO officers, share incentive plans and equity-based plans;

- 8.7 (i) review the design of all share incentive plans and equity-based plans for approval by the Board and shareholders, and (ii) administer and/or oversee the administration of the Company's share incentive and/or equity-based plans by, among other things, determining each year whether awards should be made, and if so, the overall amount of such award or equity to be granted, the individual to whom the awards are to be granted and the terms and conditions applicable to each award or grant, and the application of claw back provisions, subject to the provisions of each plan;
- 8.8 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives of the Company;
- 8.9 ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- 8.10 oversee any major changes in employee benefits structures;
- 8.11 determine stock ownership guidelines for the directors, chairman of the Board, the Chief Executive Officer and the executive management of the Company and monitor compliance with such guidelines;
- 8.12 review executive compensation disclosure before the Company discloses this information, including the Company's compensation discussion and analysis;
- 8.13 annually prepare and review a succession plan for the Chief Executive Officer, the chairman of the Board and of the Board's committees, the lead director (if applicable) and the other senior executives of the Company, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future; and
- 8.14 agree the policy for authorizing claims for expenses from the directors.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Human Resources and Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. OTHER MATTERS**

The Human Resources and Remuneration Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
- 10.3 give due consideration to applicable laws, regulations and rules of any stock exchange upon which the Company's securities are listed;

- 10.4 arrange for periodic reviews of its own performance and review its constitution and mandate to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.5 perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

## **11. AUTHORITY**

- 11.1 The Human Resources and Remuneration Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 The Human Resources and Remuneration Committee is authorized by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its mandate. For the avoidance of any doubt, the Human Resources and Remuneration Committee has sole authority to retain and to approve such firm's fees and other retention terms without prior approval of the Board. Before retaining or obtaining advice of any outside advisors, the Human Resources and Remuneration Committee will consider the independence of the advisor in accordance with applicable laws, rules and regulations, as the foregoing may be amended from time to time. The Human Resources and Remuneration Committee will make arrangements for the appropriate funding for payment of such consultants.
- 11.3 The Human Resources and Remuneration Committee shall pre-approve all non-compensation services provided by consultants retained by the Human Resources and Remuneration Committee to perform compensation-related services. The fees paid to such consultants, regarding compensation and non-compensation services shall be disclosed separately in the Company's management information circular.

## **LIMITATIONS ON COMMITTEE'S DUTIES**

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or the members of the Human Resources and Remuneration Committee.

Member of the Human Resources and Remuneration Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, and (ii) the accuracy and completeness of the information provided.

**APPROVAL DATE: June 28, 2018.**