

ECN CAPITAL CORP.

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE MANDATE

As of October 3, 2016

1. Purpose And Scope

The Compensation and Corporate Governance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of ECN Capital Corp. (the “**Corporation**”) shall exercise the responsibilities and duties set forth below in respect of compensation and corporate governance matters.

In respect of such matters, the Committee’s responsibilities and duties shall include, but not be limited to: determining and making recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer of the Corporation (“**CEO**”); reviewing the CEO’s recommendations respecting compensation of the other senior executives of the Corporation; and determining and making recommendations with respect to the corporate governance of the Corporation.

In respect of corporate governance matters, the Corporation believes that “corporate governance” means the process and structure used to oversee the management of the business and affairs of the Corporation in the best interests of the Corporation. The process and structure define the division of power between, and establish mechanisms for achieving accountability by, the Board and senior management of the Corporation.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee shall be independent, within the meaning of the provisions of National Policy 58-201 *Corporate Governance Guidelines*, as it may be amended and/or replaced from time to time, subject to any exemptions or relief that may be granted from such requirements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee shall meet as many times as required to carry out its duties and responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

4. Duties and Responsibilities

Subject to the powers and duties and the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

Compensation Overview

To fulfil its responsibilities and duties in developing the Corporation's approach to compensation issues, the Committee shall:

- (a) review and approve corporate goals and objectives relevant to CEO compensation;
- (b) evaluate the CEO's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation level based on its evaluation;
- (c) review the recommendations to the Committee of the CEO respecting the appointment, compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the CEO and all other officers appointed by the Board and, if advisable, approve and recommend for Board approval, with or without modifications, any such appointment, compensation and other terms of employment;
- (d) conduct in-depth reviews of succession options relating to senior management positions and, when appropriate, approve the rotation of senior executives into new roles to broaden their responsibilities;
- (e) prepare an emergency succession plan and contingency plan for the Corporation for the CEO for a scenario in which the CEO suddenly and unexpectedly was unable to perform his or her duties for an extended period;
- (f) administer and interpret the Corporation's share compensation agreements and its policies respecting the grant of options or other share-based compensation or the sale of shares thereunder, and review and recommend for approval of the Board the grant of options thereunder and the terms thereof;

- (g) review the Corporation's pension and retirement arrangements in light of the overall compensation policies and objectives of the Corporation;
- (h) review employment agreements between the Corporation and the CEO, and between the Corporation and executive officers, and amendments to the terms of such agreements shall be subject to review and recommendation by the Committee and approval by the Board;
- (i) review management's policies and practices respecting the Corporation's compliance with applicable legal prohibitions, disclosure requirements or other requirements on making or arranging for personal loans to senior officers or directors or amending or extending any such existing personal loans or arrangements;
- (j) recommend to the Board for its approval the terms upon which directors shall be compensated, including the Chair of the Board (if applicable) and those acting as committee chairs and committee members;
- (k) review on a periodic basis the terms of and experience with the Corporation's executive compensation programs for the purpose of determining if they are properly coordinated and achieving the purpose for which they were designed and administered;
- (l) review executive compensation disclosure before the Corporation publicly discloses this information;
- (m) submit a report to the Board on human resources matters at least annually; and
- (n) prepare an annual report for inclusion in the Corporation's management information circular to shareholders respecting the process undertaken by the Committee in its review of compensation issues and prepare a recommendation in respect of CEO compensation.

Corporate Governance Overview

To fulfil its responsibilities and duties in developing the Corporation's approach to corporate governance issues, the Committee shall:

- (a) conduct a periodic review of the Corporation's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. The Committee shall review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or its committees;
- (b) review the disclosure in the Corporation's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance;
- (c) propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board;
- (d) conduct a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner;

- (e) review annually the Board of Directors Mandate and the mandates for each committee of the Board, and where necessary, recommend changes to the Board. The Committee shall review and recommend the appropriate structure, size, composition, mandate and members for the committees, and recommend for Board approval the appointment of each to Board committees;
- (f) recommend procedures to ensure that the Board and each of its committees function independently of management;
- (g) monitor conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics, and other policies on conflicts of interest and ethics; and
- (h) recommend procedures to permit the Board to meet on a regular basis without management or non-independent directors.

Nomination, Composition and Qualifications for the Board

To fulfil its responsibilities and duties in developing the Corporation's approach to nomination, composition and qualifications for the Board, the Committee shall:

- (a) develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation, and report to the Board thereon at least annually;
- (b) undertake on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board;
- (c) endeavour, in consultation with the Chair of the Board or lead director, to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties;
- (d) in consultation with the Chair of the Board or lead director, and the CEO, annually or as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of shareholders; and
- (e) in consultation with the Chair of the Board or lead director, annually or as required, recommend to the Board, the individual directors to serve on the various committees.

In making its recommendations, the Committee shall consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Committee shall also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member.

The Committee may also recommend for Board approval the removal of a director from the Board or from a Board committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

Orientation and Continuing Education of Board Members

The Committee shall maintain policies and procedures to ensure sufficient orientation procedures are in place to enable new directors to operate efficiently from the beginning of their appointment. The Committee shall review with each new member: (i) certain information and materials regarding the Corporation, including the role of the Board and its committees; and (ii) the legal obligations of a director of the Corporation.

The Committee shall also ensure that sufficient continuing education and development programs are in place for all members of the Board.

The Committee shall review, monitor and, where necessary, make recommendations regarding the Corporation's initial orientation and the continuing education and development program for existing directors.

Board Effectiveness

The Committee, in consultation with the Chair of the Board or lead director, shall endeavour to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties.

The Committee shall recommend to the Board an appropriate annual process to evaluate the Board and each of the committees, and the responsibilities of each of the directors individually.

Review of Breaches of the Code of Business Conduct and Ethics

The Committee shall receive reports from the CEO regarding breaches of the Code of Business Conduct and Ethics, and shall in turn report those breaches to the Board. The Committee shall review investigations and any resolutions of complaints received under the Code of Business Conduct and Ethics and report annually to the Board thereon.

5. Access to Management and Outside Advisors

The Committee shall have unrestricted access to management and employees of the Corporation, including documents and resources necessary to carry out its duties and responsibilities. In the discharge of its duties and responsibilities, the Committee shall have the authority to communicate directly with and seek information it requires from any officer or employee of the Corporation and such persons shall be instructed by the Board to respond to such inquiries.

The Committee shall have the authority to retain legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors. The Corporation shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

6. Sub-Committee

The Committee may designate a sub-committee to review any matter within this Mandate as the Committee deems appropriate.

7. Mandate Review

The Committee shall review and assess the adequacy of this Mandate at least annually to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Mandate as considered.

8. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

* * * * *