



**DOLPHIN COVE LIMITED**

**COMPENSATION COMMITTEE CHARTER**

**1 DEFINITIONS**

1.1 In this Charter, unless the context otherwise specifies or requires:

- (a) "Board" means the Board of Directors of the Company;
- (b) "Committee" means the Compensation Committee hereinafter referred to;
- (c) "Company" means Dolphin Cove Limited;
- (d) "Group" means the Company and its subsidiaries;
- (e) "Group Executive Management" means the Executives designated as Group Executives and for the purposes of this Charter excludes the General Manager, who is supervised by the Corporate Governance and Ethics Committee.
- (f) "General Manager" means the Chief Executive Officer of the Group or the chief executive of the Group however designated.

**2 COMMITTEE AND PROCEDURES**

**2.1 Establishment of Committee**

2.1.1 A committee of the directors to be known as the "Compensation Committee" is hereby established as a committee of the Board. The establishment of the Committee will not preclude management from discussing any related business with the Board.

**2.2 Composition of Committee**

2.2.1 The Committee shall be composed of not less than three directors.

2.2.2 None of the members of the Committee shall be an officer, team member or affiliate of the Company or its subsidiaries.

2.2.3 All directors shall be independent within the meaning of "independence" as contained in the Company's Independence Policy.

**2.3 Appointment of Committee Members**

2.3.1 Members of the Committee shall be appointed by the Board.

2.3.2 Each member shall meet skill and experience requirements of applicable industry regulation and such additional requirements as may be determined from time to time by the Board.

2.3.3 The Board may fill a vacancy that occurs on the Committee at any time.

## 2.4 **Chairman and Secretary**

- 2.4.1 The Board will designate one member of the Committee as the Committee Chair. In the absence of the Chairman the Members present shall choose one of their number to act as Chair. The Committee shall appoint a Secretary who need not be a director.

## 2.5 **Meetings**

- 2.5.1 The Committee shall meet annually or more frequently as the Committee may determine. The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof, provided that:

- (a) A quorum for meetings shall be a majority of the members.
- (b) A member may participate in a meeting of the Committee by means of any electronic communication facilities as permit all persons participating in the meeting to hear each other and a member participating in such a meeting by such means is deemed to be present at the meeting.
- (c) Notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting.
- (d) The affirmative vote of a majority of the members of the Committee participating in any meeting of the committee is necessary for the adoption of any resolution.

## 2.6 **Reporting to the Board**

- 2.6.1 After every meeting the Committee shall report to the Board on matters reviewed by the Committee.
- 2.6.2 The Committee shall submit a report annually to the Board on the work of the Committee during the year in carrying out its responsibilities.

## 2.7 **Evaluation of Effectiveness and Review of Mandate**

- 2.7.1 The Committee shall annually:
- (a) Review and assess the adequacy of its mandate and, where necessary, recommend changes to the mandate to the Board for its approval.
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d.
  - (b) Be guided by feedback from the Board and its Chairman.

## 2.8 **Relationship with Management**

- 2.8.1 The Committee is expected to establish and maintain free and open communication with members of management relevant to its operation.

### 3 **GENERAL SCOPE OF RESPONSIBILITIES AND PURPOSE**

3.1 The purpose of the Committee is to advise the Board with respect to:

- (a) Compensation policies, programs and plans;  
and
- (b) The Company's and the Group's benefit plans.

### 4 **SPECIFIC RESPONSIBILITIES**

4.1 The Committee shall:

#### 4.1.1 **General**

- (a) Review the recruitment of Group Executive Management and their compensation and benefits package.
- (b) Report on executive compensation as required in public disclosure documents.

#### 4.1.2 **Remuneration**

- (a) Annually review remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, executive stock options plans and grants, and benefit plan philosophy, giving due consideration to the potential for some incentive programs to put the Company at longer term risk;
- (b) Review and recommend to the Board various compensation and benefits budgets.
- (c) Annually review compensation arrangements for Group Executive Management and the President.

#### 4.1.3 **Recruitment**

- (a) Review the process for recruiting Group Executive Management.
- (b) Participate in the process of recruiting Group Executive Management and review their compensation and benefits package prior to any offers made.

#### 4.1.4 **Performance Evaluation**

- (a) Review the General Manager's performance assessment of Group Executive Management and his recommendation for compensation increases, taking into account such Management's demonstration of leadership and entrepreneurial qualities and the propensity for balancing short and long term objectives and the needs of the Company's stakeholders.
- (b) Review the list of identified high potential officers and their development and succession plans.

**4.1.5 Benefits Management**

- (a) Review any material changes to the Company's benefit plans which require the approval of the Board.
- (b) Review annual reports from Management on compliance with applicable legislation relating to the Company's or Industry wide pension plans.

**5 DIRECTORS' REPORT**

- 5.1 The Committee shall prepare an annual report of its activities for inclusion in the Directors' Report, as may be required by applicable laws or rules of applicable securities regulatory authorities.

**6 INDEPENDENT ADVISORS**

- 6.1 The Committee has sole authority to retain such independent advisors as it may deem necessary or advisable for carrying out its mandate, to set the terms of the retainer, and to terminate any advisor arrangement. Expenses related to any such engagement shall be paid by the Company.