



## **The Compensation Committee Charter**

Lifeist Wellness Inc.

Effective as of and from April 28, 2020

## **I. PURPOSE**

1. The purpose of the Compensation Committee (the "Committee") is to assist the board of directors (the "Board") of Lifeist Wellness Inc. (the "Company") in overseeing compensation matters, including the Board's responsibilities of:

- (a) compensating and evaluating officers and other senior management personnel of the Company;
- (b) reviewing and determining executive compensation; and
- (c) approving the Company's annual compensation budget.

## **II. AUTHORITY**

1. The Committee has the authority to delegate to individual members or subcommittees of the Committee.
2. The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its duties. In engaging an outside advisor, the Committee shall take into consideration annually the independence factors specified by section 1.4 of National Instrument 52-110.
3. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any outside advisor retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to outside advisors retained by the Committee.

## **III. PROCEDURAL MATTERS**

### **1. Composition and Qualifications of the Members of the Committee**

- (a) The Committee will be composed of a minimum of three members.
- (b) Every Committee member must be a director of the Company.
- (c) Every Committee member must be "independent" as defined under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

### **2. Member Appointment and Removal**

- (a) Members of the Committee will be appointed by the Board for such terms as the Board deems appropriate and will hold office for such time or until they are removed by the Board or cease to be directors of the Company.
- (b) If a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Corporate Governance and Nominating Committee, and will be filled by the Board if the membership of the Committee falls below three directors.

### **3. Committee Structure and Operations**

#### **(a) Chair**

The Board will appoint one member of the Committee to be the Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a

successor is appointed. Each successor to the Chair of the Committee will be designated by the Board, having considered the recommendations of the Corporate Governance and Nominating Committee, at least three months before the anticipated date of retirement of the Chair of the Committee.

If the Chair of the Committee is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting.

**(b) Meetings**

The Chair of the Committee will be responsible for developing and setting, in consultation with other members of the Committee, the Board and senior management, the agenda for Committee meetings, and determining the time, place and frequency of Committee meetings.

**(c) Notice**

Notice of the time and place of every meeting will be given in writing to each member of the Committee, the Chair of the Board and the Chief Executive Officer at least 72 hours before the time fixed for that meeting.

**(d) Quorum**

A majority of the Committee will constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**(e) Attendees**

The Committee may invite any of the directors, officers and employees of the Company and any advisors as it sees fit to attend meetings of the Committee and assist in the discussion and consideration of matters relating to the Committee.

**(f) Secretary**

The Committee Chair will appoint a Secretary to the Committee who need not be a director or officer of the Company.

**(g) Records**

Minutes of meetings of the Committee will be recorded and maintained by the Secretary to the Committee and will be subsequently presented to the Committee for review and approval.

**(h) Liaison**

The Chief Financial Officer will act as management liaison with the Committee.

**4. Committee and Charter Review**

The Committee will conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee will conduct that review and assessment in such manner as it deems appropriate and report the results to the Board.

The Committee will also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any

best practice guidelines recommended by regulators, or any stock exchange on which the Company is listed and will recommend any required or desirable changes to the Board.

## **5. Reporting to the Board**

The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board. The Committee will circulate to the Board copies of the minutes of each meeting held.

## **III. DUTIES AND RESPONSIBILITIES**

### **1. General**

The Committee is responsible for:

- (a) reviewing the Company's overall compensation philosophy;
- (b) addressing matters related to compensation of the Chief Executive Officer (the "CEO");
- (c) reviewing and making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and
- (d) reviewing executive compensation disclosure before the Company publicly discloses this information.

### **2. CEO Compensation**

With respect to compensation of the CEO, the Committee is responsible for:

- (a) reviewing and approving annually the corporate goals and objectives relevant to CEO compensation;
- (b) evaluating at least annually the CEO's performance in light of those corporate goals and objectives; and
- (c) determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation.

In setting corporate goals and objectives relevant to CEO compensation, the Committee will consider both short-term and long-term compensation goals, including analysis of the short- and long-term tax, accounting, cash flow and dilution implications of the compensation package..

The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.

### **3. Annual Review of CEO Compensation**

The Committee will annually review and assess the competitiveness and appropriateness of the compensation package of the CEO. In conducting that review, the Committee will consider:

- (a) the compensation package of the CEO for the prior year;
- (b) the Committee's evaluation of the performance of the CEO;

- (c) the Company's performance and relative shareholder return, as well as other key measures of performance;
- (d) whether the compensation package reflects an appropriate balance between salary and incentive compensation, as well as the mix between short- and longer-term incentives to improve performance of the Company;
- (e) the competitiveness of the compensation package, including the value of similar incentive awards and benefits such as pensions and supplemental executive retirement plans, paid to equivalent officers at comparable companies;
- (f) the impact of the level and form of awards on the Company and its shareholders from a tax, accounting, cash flow and dilution perspective; and
- (g) the awards given to the CEO.

#### **4. Compensation of Senior Officers**

With respect to compensation of senior officers, the Committee is responsible for:

- (a) recommending the process and criteria to be used to evaluate the performance of senior officers;
- (b) reviewing and approving the performance evaluations of the Company's senior officers; and
- (c) in consultation with the CEO, approving the individual compensation packages provided to senior officers.

The Committee will consider all forms of remuneration when determining the level of compensation paid to senior officers, including long-term incentives and benefits. The Committee will also consider information regarding other companies, the nature of the Company's business, the need to obtain qualified individuals, short-term and long-term performance goals and actual performance and shareholder returns and evaluations and compensation in previous years.

#### **5. Compensation of Directors**

The Committee will, on an annual basis:

- (a) review the adequacy, amount and form of the compensation to be paid to each director;
- (b) consider whether that compensation realistically reflects the time commitment, responsibilities and risks of the directors;
- (c) make recommendations to the Board based on this review and analysis;
- (d) make recommendations to the Board regarding compensation to be paid to directors for services provided in connection with Special Projects (as defined below).

In making its recommendations, the Committee will also consider comparative data derived from a survey of board compensation at other companies conducted annually and analyzed by an independent consultant.

#### **6. Incentive-Compensation Plans**

With respect to incentive-compensation plans, the Committee is responsible for:

- (a) making recommendations to the Board with respect to the adoption and amendment of executive incentive-compensation plans; and
- (b) approving all senior officer incentive bonus plans and all awards under those plans.

## **7. Equity-Based Plans**

With respect to equity-based plans, the Committee is responsible for periodically reviewing and making recommendations to the Board regarding equity-based compensation plans that the Company establishes for, or makes available to, its employees and/or consultants, including the designation of those who may participate in those plans, share and option availability under those plans and the administration of share purchases under those plans.

In addition, the Committee will review periodically the extent to which these forms of compensation are meeting their intended objectives, and will make recommendations to the Board regarding modifications to more accurately relate that compensation to employee performance.

The Committee will conduct periodic reviews of the status of any equity-based plans, and submit recommendations for Board consideration and approval with respect to any proposed material amendments to, and any proposed grants (or changes to previous grants) under those plans.

The Committee will make recommendations to the Board on share ownership guidelines for the CEO, other executive officers and directors, and monitor compliance with such guidelines.

## **8. Risk Oversight and Mitigation**

In fulfilling its responsibilities, the Committee will consider periodically, and at least annually, the implications of the risks associated with the Company's compensation policies and practices and will adopt (or recommend the adoption of) practices to mitigate compensation policies and practices that could encourage excessive risk-taking.

## **9. Disclosure**

With respect to disclosure, the Committee is responsible for:

- (a) obtaining advice on and tracking disclosure requirements related to executive compensation disclosure;
- (b) reviewing and discussing with management the executive compensation disclosure information before the Company publicly discloses this information;
- (c) in particular, reviewing the "Executive Compensation" and "Indebtedness" sections and preparing the "Report on Executive Compensation" section of the management information circular (or similarly captioned disclosure), and the "Compensation Discussion and Analysis" section of the annual report (as applicable); and
- (d) produce the compensation committee report on executive officer compensation to be included in the Company's proxy statement or annual report, if applicable.

## **10. Special Projects**

The Company has determined that it will, from time to time, request that certain directors of the Company provide services in connection with certain special projects ("Special Projects") which exceed the scope of services and the time commitments which would typically be expected of a director of a public company. The Company has further determined that the directors providing services in connection with such Special Projects should be compensated for the additional

commitment. The Compensation Committee shall be responsible for determining the appropriate level of compensation to be paid to directors for the provision of services in connection with Special Projects and, in particular, the Compensation Committee shall consider the following factors for making such determination:

- (a)** the experience and expertise of the directors in performing such services;
- (b)** the additional time commitment the directors are required to make in the performance of such services; and
- (c)** any additional risks the directors are exposed to in the performance of such services.