



## COMPENSATION COMMITTEE MANDATE

### 1. PURPOSE

- 1.1** The Compensation Committee (the "Committee") of Bluestone Resources Inc. (the "Company" or "Bluestone") is a committee of the Board of Directors (the "Board"), with one of the Committee's primary functions being to monitor and make recommendations to the Board with respect to the total compensation paid by the Company to Bluestone's Senior Executives.
- 1.2** The Committee will be guided by the following principles:
- to offer competitive compensation when compared to a relevant peer group of companies, in order to attract, retain and motivate qualified executives to achieve the Company's strategic plan and budgets approved by the Board;
  - to act in the best interests of the Company by being financially responsible; and
  - to review and monitor the Company's Human Resources policies and procedures to provide guidance and oversight, when appropriate do so, and to report at least annually the Board on the effectiveness of these policies and procedures.

### 2. COMPOSITION AND MEMBERSHIP

- 2.1** The Committee shall consist of at least three members of the Board, all of whom shall be non-management directors. The Committee shall meet all applicable securities laws, instruments, rules and mandatory policies and regulatory requirements (collectively "Applicable Laws") including relating to independence within the meaning of Applicable Laws. A majority of members shall be independent within the meaning of Applicable Laws.
- 2.2** The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee from among the Board. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
- 2.3** The secretary of the Committee shall be designated from time to time from one of the members of the Committee or, failing that, shall be the Company's Corporate Secretary, unless otherwise determined by the Committee.

### 3. MEETINGS

- 3.1** The Committee shall meet regularly each year on such dates and at such locations as the Chair of the Committee shall determine (as per the Schedule agreed to by the Committee members) and may also meet at any other time or times when deemed appropriate by the Chair of the Committee or any two of the other members. The procedures at such meetings may be determined or modified from time to time by the Chair. The quorum for meetings shall be a majority of the members of the Committee, present in person or by tele-communication device that permits all persons participating in the meeting to speak and to hear each other.
- 3.2** The Committee shall have access to such officers and employees of the Company and to such information respecting the Corporation and may engage independent compensation consultants at

the expense of the Corporation at least on a bi-annual basis, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

**3.3** The Committee should hold an *in camera* session without any senior officers present at each meeting.

**3.4** Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

#### **4. DUTIES AND RESPONSIBILITIES**

**4.1** The Committee shall report its definitive determinations and recommendations to the Board.

**4.2** Except as expressly provided in this Charter or the Articles of the Company, the Committee may fix its own rules of procedure.

#### **4.3 Remuneration of Senior Officers**

- annually review and recommend to the Board for approval the remuneration of the senior officers of the Company, namely, the Chief Executive Officer (the "CEO"), the President, the Chief Financial Officer, any Vice-President, and any other employee of the Company having a comparable position as may be specified by the Board (collectively the "Senior Executives"), with such review being carried out in consultation with the CEO, other than the remuneration of the CEO;
- review and approve corporate goals and objectives for the next financial year of the Company relevant to the compensation of the CEO and the President, and, in light of those goals and objectives, to recommend to the Board the annual salary, bonus and other benefits, direct and indirect, of the CEO and the President, and to approve compensation for all other Senior Executives of the Company, after considering the recommendations of the CEO and the President, all within the human resources and compensation policies and guidelines approved by the Board;
- review human resources and compensation policies approved by the Board concerning the following:
  - Senior Executive compensation, contracts, stock plans or other incentive plans, including making recommendations to the Board regarding equity-based compensation and options; and
  - making a recommendation to the Board on the hiring or termination of any Senior Executive or on any special employment contract containing, or including, any retiring allowance or any agreement to take effect, or to provide for the payment of benefits in the event of a termination or change of control of the Company affecting a Senior Executive, or any amendment to any such contract or agreement;
- from time to time, review the Corporation's broad policies and programs in relation to benefits;
- annually receive from the CEO recommendations concerning annual compensation policies and budgets, including both short term incentives and long term incentives including stock options, for all employees;
- from time to time, review with the CEO the Company's broad policies on compensation for all employees and overall labour relations strategy for employees;

- annually identify any risks associated with the compensation policies and practices of the Company that are reasonably likely to have a material adverse effect on the Company, considering the implications of any such risks and, to the extent deemed necessary by the Committee, establishing practices to identify and mitigate compensation policies and practices that could encourage Senior Executives to take inappropriate or excessive risks.

#### **4.4 Remuneration of Directors**

Periodically review the adequacy and form of the compensation of directors and whether the compensation realistically reflects the responsibilities and risks involved in being an effective director, and report and make recommendations to the Board accordingly.

#### **4.5 Share Ownership Guidelines**

The Committee should review, and make a recommendation to the Board with respect to, any share ownership guidelines applicable to the Senior Executives and the directors and review the shareholdings of the Senior Executives and directors based on such guidelines established from time to time.

#### **4.6 Equity Based Compensation Plans**

- oversee the equity based compensation plans of the Company, including ensuring that any required regulatory approval and shareholder approval is obtained for any equity based compensation plan of the Company; and
- determine those directors, Senior Executives, other employees and consultants of the Company who are entitled to participate in the equity based incentive plans of the Company, the number of options, common shares or other equity based securities of the Company allocated to each participant under each such plan, if any, the time or times when the ownership of such common shares or other equity based securities will vest for each participant and administer all matters relating to any equity based incentive plan of the Company and any employee bonus plan of the Company to which the Committee has been delegated authority pursuant to the terms of such plan or by a resolution passed by the Board.

#### **4.7 Public Disclosure**

The Committee should review, and make a recommendation to the Board with respect to, any disclosure related to executive compensation included in any management information circular of the Company for any meeting of the shareholders of the Company and review and approve the report on executive compensation required by Applicable Laws to be included in any management information circular of the Company.

#### **4.8 Other Responsibilities**

The Committee should review and assess the adequacy of this mandate from time to time and at least annually and submit any proposed amendments to the Board for consideration. The Committee should perform any other activities consistent with this mandate and Applicable Laws as the Committee or the Board deems advisable.

### **5. RESPONSIBILITIES OF THE COMMITTEE CHAIR**

**5.1** The Committee Chair is responsible for the management and effective performance of the Committee and provides leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. The Committee Chair's responsibilities include:

- providing leadership to the Committee and overseeing the functioning of the Committee;

## COMPENSATION COMMITTEE MANDATE

- presiding over meetings of the Committee, unless not present, including *in camera* sessions;
- reporting to the Board following each meeting of the Committee on the activities, and any material recommendations and decisions, of the Committee and otherwise at such times and in such manner as the Chair considers advisable;
- ensuring that the Committee meets at least twice per financial year of the Company and otherwise as is considered advisable;
- in consultation with the Chair of the Board and the members, establishing dates for holding meetings of the Committee;
- ensuring that Committee materials are available to any director upon request;
- acting as liaison and maintain communication with the Chair of the Board, the Lead Director, if any, and the Board;
- reporting annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
- together with the Chair of the Corporate Governance Committee, overseeing the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- attending, or arranging for another member of the Committee to attend, each meeting of the shareholders of the Company to respond to any questions from shareholders which may be asked of the Committee;
- arranging for an independent compensation consultant to conduct a compensation benchmark review of the Senior Executives and board of directors as required; and
- performing such other duties as may be delegated to the Chair by the Committee or the Board from time to time.

Original approval date:	January 23, 2018
Revised date:	March 8, 2018
Revised date:	December 10, 2020
Revised date:	November 16, 2021
Revised date:	March 15, 2022
Approved by:	Board of Directors

## FORWARD AGENDA - COMPENSATION COMMITTEE

AGENDA ITEM	Q1	Q2	Q3	Q4
<b>COMPENSATION COMMITTEE</b>				
Approve minutes of last meeting	√	√	√	√
Review compensation policies, guidelines and programs, including those relating to benefits, compensation issues and trends and recommend to Board				√
Review CEO report on succession planning, as necessary, and recommend to Board	√			
Review CEO performance evaluation and approve compensation for CEO and Senior Executives and recommend to Board	√			
Approval of Short-term Incentive Plan awards and recommend to Board	√			
Approval of Long-term Incentive Plan awards/stock options and recommend to Board	√			
Review of objectives of CEO, President, and Senior Officers, and recommend to Board	√			
Review of Directors' Compensation and recommend to Board	√			
Compensation Benchmark exercise (conducted on a bi-annual basis by an independent compensation consultant)			√	
Approve executive compensation disclosure, including Compensation Discussion and Analysis, for management information circular and annual report, and recommend to Board	√*			
Review Compensation Committee mandate and forward agenda				√
Review of Board and NEO share ownership	√			

\*Subject to AGM date.