



ROOTS CORPORATION

Governance, Compensation and Nominating Committee Charter

Approved by the Board of Directors on October 17, 2017

ROOTS CORPORATION

(the “Corporation”)

Governance, Compensation and Nominating Committee Charter

1. Responsibility

The Governance, Compensation and Nominating Committee (the “Committee”) is responsible for:

- regularly assessing the effectiveness of the Corporation’s Board of Directors (the “Board”), each of its committees and individual members;
- identifying candidates qualified for election or appointment to the Board, other than candidates nominated by certain shareholders pursuant to the investor rights agreement dated October 25, 2017 between the Corporation and such shareholders (the “Investor Rights Agreement”);
- determining the number of directors and composition for each of the committees of the Board;
- assisting in orienting and educating directors and assessing their performance on a regular basis;
- developing the Corporation’s approach to governance of the Corporation and recommending to the Board governance principles to be followed by the Corporation;
- the appointment, performance, evaluation and compensation of the Corporation’s senior executives;
- the recruitment, development and retention of the Corporation’s senior executives;
- discharging the Board’s responsibilities relating to compensation and benefits of the Corporation’s senior executives, including reviewing for approval to the Board the adoption of or any material change in any of the Corporation’s executive compensation, benefit, retirement or savings plans;
- establishing policies and procedures designed to identify and mitigate risks associated with the Corporation’s compensation policies and practices;
- overseeing the Corporation’s talent management, succession planning systems and processes relating to senior executives;
- assessing and reporting to the shareholders on executive and director compensation; and

- performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Members

The Board must appoint a minimum of three directors to be members of the Committee. The majority of the members of the Committee shall be independent and a majority shall be residents of Canada.

For the purpose of this Charter, a director is “independent” if he or she would be independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as the same may be amended or replaced from time to time.

3. Chair

Each year, the Board shall appoint one member to be Chair of the Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed.

4. Tenure

Each member shall hold office until his or her term as a member of the Committee expires or is terminated.

5. Quorum, Removal and Vacancies

A majority of the Committee’s members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all powers so long as a quorum remains in office.

6. Duties

The Committee will have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

(a) Board Succession Plan

The Committee shall develop and maintain, as required, a Board succession plan.

(b) Establish and Assess Director Qualifications

The Committee shall from time to time establish the qualification standards for directors relating to, among other things, the competencies, skills and personal qualities that should be sought in candidates for Board membership, having in mind the skills and competencies the Board as a whole should possess. The Committee shall regularly assess the competencies and skills of the Board.

(c) **Identify Candidates for Nomination as a Director**

The Committee shall develop and recommend to the Board from time to time a list of candidates for Board election or appointment with a view to enhancing the independence, quality and diversity of nominees to be elected by the shareholders at the annual general meeting of shareholders. The Committee should determine if each such candidate would be an independent director.

The Chair of the Committee, with the assistance of the Chair of the Board and one or more other directors appointed by the Board, should approach candidates for Board membership including nominees put forth for nomination pursuant to the terms of the Investor Rights Agreement, if any, to:

- explore the candidates' interest in joining the Board and seek their consent to act as a director;
- assess the candidates' skills and competencies; and
- confirm that interested candidates understand the role of a director and the contribution a director is expected to make to the Board, including the commitment of time and energy that the Corporation expects of its directors.

The Committee shall from time to time consider the appropriate size of the Board with a view to facilitating proper decision-making.

(d) **Orientation and Continuing Education of Directors**

The Committee should take steps to satisfy itself that:

- new directors are given a proper orientation to both the Corporation and their responsibilities and duties as directors; and
- the Corporation provides appropriate continuing education opportunities for directors.

(e) **Recruit Directors for Board Committees and Filling Vacancies**

The Committee will recommend to the Board those directors that the Committee considers qualified for appointment to the Audit Committee, the Governance, Compensation and Nominating Committee and other committees of the Board. Where a vacancy occurs at any time in the membership of any committee of the Board, the Committee will recommend to the Board a director to fill such vacancy.

(f) **Performance Assessment of the Board, Board Committees and Individual Directors**

The Committee will review, on an annual basis, the effectiveness and performance of the Board, and all committees of the Board.

The Committee will evaluate directors on a regular basis to assess their suitability for re-election.

(g) **Develop Approach to Governance of the Corporation**

The Committee has the authority and responsibility to review the Corporation's overall approach to governance and to make recommendations to the Board in this regard. Among other things, the Committee has the authority and responsibility to:

- develop or review the mandates and charters of the Board and committees of the Board and recommend to the Board the adoption of or amendments to such mandates or charters;
- examine the size and composition of the Board and recommend a Board size and composition that facilitates effective decision-making;
- study and recommend the implementation of structures and procedures to ensure that the Board can function independently of management and without conflicts of interest, including scheduling, at regular intervals, meetings of the Board without management present;
- develop processes and protocols for dealing with related party transactions and conflicts of interest;
- monitor the relationship between officers and the Board, and recommend a process whereby the directors will have access to, and have an effective relationship with, management of the Corporation;
- be available as a forum for addressing the concerns of individual directors;
- work with the President and Chief Executive Officer and other members of management to ensure that the Corporation has a healthy governance culture; and
- monitor developments in the area of governance and undertake other initiatives that may be desirable to maintain the highest standards of governance.

(h) **Code of Conduct**

The Committee shall monitor the effectiveness of the Corporation's Code of Conduct (the "**Code**") to confirm that it appropriately addresses, among other things, conflicts of interest, opportunities, confidentiality, fair dealing, protection and proper use of the Corporation's assets, compliance with applicable laws and

the reporting of illegal or unethical behaviour, and also establish mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code. A copy of the Code shall be posted on the Corporation's website. The Committee shall approve any material waivers of the Code that are sought by directors or officers of the Corporation. It is acknowledged that the Audit Committee receives periodic reporting on any material matters arising from known or suspected violations of the Code.

(i) **Timely Disclosure, Confidentiality and Securities Trading Policy**

The Committee shall monitor the effectiveness of the Corporation's policies addressing the timely disclosure of material information, the confidentiality of material undisclosed information and the prohibitions against trading in securities of the Corporation and other issuers while in possession of undisclosed information that is material to the Corporation or other such issuers.

(j) **Succession Planning**

The Committee shall review the Corporation's organizational structure, consider succession planning for senior executives and recommend policies and principles for the selection and performance review of the senior executives including the President and Chief Executive Officer, as well as policies regarding succession in the event of an emergency or the retirement of the President and Chief Executive Officer and for the appointment, training and monitoring of other senior executives.

(k) **Incentive Compensation Plans and Equity-Based Plans**

The Committee shall:

- make recommendations to the Board with respect to the adoption and amendment of executive incentive compensation plans and equity-based plans, including share purchase plans and dividend reinvestment plans, if any;
- approve any employment inducement option awards or other equity compensation awards under plans approved by the Board;
- approve all stock options granted under any stock option or other equity compensation plan adopted by the Corporation, including the entitlement, vesting, exercise price and all other matters relating to such plans; and
- approve all senior executive compensation and incentive bonus plans and all awards under such plans.

(l) **Employment Agreements**

The Committee shall review and approve the terms of employment of the senior executives of the Corporation that are directly employed by the Corporation.

(m) **Assessment and Compensation of the President and Chief Executive Officer**

The Committee shall:

- together with the President and Chief Executive Officer, develop a position description for the President and Chief Executive Officer, setting out the President and Chief Executive Officer's authority and responsibilities;
- oversee the duties of the President and Chief Executive Officer to ensure appropriate supervision and management of any potential conflicts of interest between the President and Chief Executive Officer, the Corporation and its affiliates, and the Corporation's shareholders;
- review and approve the corporate goals and objectives that are relevant to the compensation of the President and Chief Executive Officer; and
- evaluate the performance of the President and Chief Executive Officer in meeting his or her goals and objectives.

When determining the long-term incentive component of the compensation of the President and Chief Executive Officer, if any, the Committee shall consider the Corporation's performance, relative shareholder return and the value of similar incentive awards granted to senior executives of comparable organizations.

(n) **Compensation of Senior Executives**

The Committee shall approve the corporate goals, objectives and compensation of senior executives and may periodically assess the senior executive compensation in light of the Corporation's performance, relative shareholder return and compensation paid to senior executives of comparable organizations.

(o) **Compensation of Board Members**

The Committee shall review, and recommend to the Board, the compensation to be paid to the directors and to members and chairs of Board committees.

(p) **Disclosure of Executive Compensation**

The Committee shall be responsible for reviewing all public disclosure relating to executive compensation, including the Compensation Discussion and Analysis contained in the Corporation's management proxy circular.

7. Reporting

The Committee shall report to the Board on:

- the effectiveness of the Board and all committees of the Board, other than the Governance, Compensation and Nominating Committee;
- the approval of any stock option or other equity-based grants under any stock option or other equity compensation plan of the Corporation;
- all senior executive incentive bonus plans and grants thereunder;
- the review of the corporate goals and objectives relevant to the compensation of senior executives;
- the compensation of senior executives;
- any material benefit, retirement or savings plans matters;
- the compensation to be paid to directors and to the members and chairpersons of Board committees;
- the preparation of the Corporation's management proxy circular; and
- all other material matters dealt with by the Committee.

8. Review and Disclosure

The position descriptions for the Corporation's President and Chief Executive Officer, Chief Financial Officer, Chair of the Board, the Lead Independent Director and this Charter shall be reviewed by the Committee at least annually and be submitted to the Board for approval with such amendments as the Committee proposes. This Charter shall also be posted on the Corporation's website.

9. Frequency of Meetings and *in camera* Sessions

The Committee shall meet as frequently as the Committee deems appropriate to accomplish its mandate. Following each meeting of the Committee, the Committee members shall meet alone in a private session (without management or others present).

10. Retention of Experts

The Committee may engage such special executive compensation, legal, accounting or other experts, without Board approval and at the expense of the Corporation, as it considers necessary to perform its duties.