

**AQUILA RESOURCES INC.**

**(the “Corporation”)**

**NOMINATION, COMPENSATION AND CORPORATE**

**GOVERNANCE COMMITTEE CHARTER**

**November 12, 2015**

**PURPOSE AND ROLE**

The board of directors (the “Board”) of Aquila Resources Inc. (“Aquila”) has established a Nomination, Compensation and Corporate Governance Committee (the “Committee”) to assist with the following:

- To assist the Board in fulfilling its oversight responsibilities in regard to fairly rewarding the Corporation’s directors and key senior executive employees through compensation and appropriate performance incentives;
- To assist the Board and Chief Executive Officer in attracting, evaluating and retaining key senior executives;
- To oversee and assess the functioning and effectiveness of the Board and to develop and recommend to the board the implementation of effective corporate governance principles and practices;
- To identify candidates for the Board and to recommend that the Board select qualified director candidates for election at the next annual meeting of shareholders; and
- To enhance Aquila’s approach to corporate governance

**LIMITATION ON COMMITTEE’S DUTIES**

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Nomination, Compensation and Corporate Governance Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management and (iv) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

## **COMPOSITION OF THE COMMITTEE**

The Committee will consist of at least three members of the Board. The Board will appoint the Committee members and the Committee Chairperson. At least a majority of the Committee members shall be independent directors in accordance with National Policy 58-201 Corporate Governance Guidelines.

The Board may, by resolution, at any time remove any member of the Committee, with or without cause, or add to or otherwise change the membership of the Committee. The Committee membership shall not, however, be reduced to less than three. A member of the Committee shall cease to be a member upon ceasing to be a director. The Board shall reappoint the Committee annually.

## **PROCEDURES, POWERS AND DUTIES**

The Committee will meet at least two times a year, with authority to convene additional meetings, as circumstances require.

Any director of the Corporation may attend meetings of the Committee at the Committee Chairperson's invitation, but may not vote and may not be included for purposes of quorum requirements. The Committee Chairperson may invite the Corporation's chief executive officer or senior management employees, or others to attend meetings and provide pertinent information, as necessary; however, the Committee shall also regularly meet without management or third parties present. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

No business shall be transacted by the Committee except at a meeting where a majority of the members are present, either in person or by teleconference.

The Committee may engage outside consultants to advise it in matters relating to this mandate at the Corporation's expense, without the prior approval of the directors of the Corporation.

The Committee's business will be recorded in minutes of the Committee, and a report on the activities of the Committee will be made to the Board following each regularly scheduled meeting of the Committee.

## **RESPONSIBILITIES**

The Committee shall:

- at least annually review and recommend to the Board the compensation of the Corporation's directors, including annual retainer, meeting fees, stock-based grants and other benefits conferred upon the directors, as well as considering industry norms where appropriate and contextually relevant;
- at least annually articulate a job description, as well as performance goals and criteria for the Chief Executive Officer, and review actual performance relative to such description, performance goals and criteria; based on such reviews, recommend to the Board the Chief Executive Officer's compensation;

- at least annually review the Chief Executive Officer's evaluation of the senior executive employees of the Corporation;
- at least annually based on the Chief Executive Officer's reviews, recommend to the Board the compensation of the Corporation's senior executive employees;
- oversee and make recommendations to the Board of the Corporation on developing the Corporation's approach to corporate governance issues;
- review the corporate governance disclosure contained in the management information circular distributed to the Corporation's shareholders, including the statement of corporate governance practices;
- serve as a forum for individual directors of the Corporation in respect of matters that are not easily discussed in a meeting of the Board of the Corporation;
- review and approve annually the Corporation's Disclosure Policy.
- determine if it is appropriate for an individual director of the Corporation to engage an outside advisor at the expense of the Corporation and approving such an engagement;
- review, advise and make recommendations to the Board with respect to:
  - the size and composition of the Board, ensuring that there is the appropriate number of independent directors on the Board;
  - the organization and responsibilities of the appropriate committees of the board; and
  - the evaluation process for the Board, and committees of the Board of the Corporation including Chairpersons of such committees;
- recommend to the Board the nominees to fill vacancies on the Board or to be proposed by the Board as candidates for election as directors at the annual meeting of shareholders of the Corporation;
- discuss qualifications and skills necessary for members of the Board (as well as skills and competencies the Board needs as a whole) and recommend a desirable balance of expertise among Board members, seeking out possible candidates to fill Board positions, and aiding in attracting qualified candidates to the Board; and
- establish an appropriate orientation and education program for new members of the Board and providing opportunities for continuing education to all directors to ensure their knowledge and understanding of the Corporation's business remains current, to include, among other things:
  - minutes of the Board and committee meetings for at least the previous two years;
  - the by-laws of the Corporation; and
  - the mandate of the Board and each of its committees

In recommending compensation packages for the Corporation's directors, the Chief Executive Officer and the Corporation's senior executive employees, the Committee shall take into account the Corporation's performance against any corporate objectives or metrics established with respect thereto as well as the competitiveness and appropriateness of such compensation, and any other factors that the Committee, in its judgment and based on industry comparison and outside advice, feels it is prudent to consider. In seeking the proper balance of compensation of the Corporation's directors, Chief Executive Officer and the Corporation's senior executive employees, the Committee shall consider all forms of compensation, including salary, benefits and performance incentives such as, but not limited to, the right to participate in stock option plans.

The Committee shall review the disclosure prepared annually for inclusion in the Corporation's published documentation in accordance with applicable rules and regulations, with respect to the compensation of the Corporation's directors, the Chief Executive Officer and its senior executive employees. The Committee shall perform any other related activities as requested by the board.

#### **1. MANDATE REVIEWS**

The Committee shall regularly review the adequacy of this mandate and recommend changes to the board.

Approved November, 2015