

BADGER DAYLIGHTING LTD.

MANDATE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Adoption

This Mandate of the Compensation Committee has been adopted by the Board of Directors (the “**Board**”) of Badger Daylighting Ltd. (the “**Corporation**”).

References to “Badger”

In this Mandate of the Human Resources and Compensation Committee, “**Badger**” means the Corporation and, where the context requires, the Corporation and its subsidiaries considered on a consolidated basis.

Policy Statement

It is the policy of the Corporation to establish and maintain a Human Resources and Compensation Committee (the “**Committee**”), composed entirely of independent directors of the Corporation, to assist the board of directors of the Corporation (the “**Board**”) in carrying out its responsibility for Badger’s human resources and compensation policies and processes. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including administrative support. If determined necessary by the Committee, it will have the discretion to investigate and conduct reviews of any human resource or compensation matter including the standing authority to retain experts and, with approval of the Board, special counsel.

Composition of the Committee

1. The Committee shall consist of a minimum of three directors of the Corporation (the “**Directors**”). The Board shall appoint the members of the Committee. The Board shall appoint one member of the Committee to be the Chair of the Committee.
2. Each Director appointed to the Committee by the Board shall be an “independent” Director. Generally speaking, a Director is “**independent**” if such Director has no direct or indirect material relationship with Badger and a “**material relationship**” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Director’s independent judgment.
3. A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board and or until his or her resignation.
4. The Chairman of the Board shall be an *ex officio* member of the Committee.

Meetings of the Committee

1. The Committee shall convene at such dates, times and places as may be designated or approved by the Chair of the Committee whenever a meeting is requested by the Board, a member of the Committee or the Chief Executive Officer of Badger (the “**CEO**”).
2. Notice of each meeting of the Committee shall be given to each member of the Committee and the Chairman of the Board, who shall each be entitled to attend each meeting of the Committee and the CEO shall attend whenever requested to do so by a member of the Committee.
3. Notice of each meeting of the Committee shall:
 - (a) be in writing;

- (b) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
4. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee (excluding the Chairman of the Board). However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.
 5. Any member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at the meeting.
 6. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting.
 7. The Secretary of Badger shall act as Secretary of the meeting or, alternatively, the members of the Committee may choose one of the persons present to be the Secretary of the meeting.
 8. The CEO, Chairman and, by invitation, other parties may attend meetings of the Committee; however, the Committee may meet separately at anytime.
 9. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting.
 10. The Committee members shall have an "in camera" session without management at every Committee meeting. Except when management is making presentations with respect to compensation or is answering questions raised by the Committee, management shall not be present at Committee meetings when management compensation is being deliberated.

Duties and Responsibilities of the Committee

1. The Committee's primary duties and responsibilities are to review and make recommendations to the Board in respect of:
 - (a) Executive compensation;
 - (b) Compensation matters with respect to the Board and the Board of Directors of the Corporation; and
 - (c) CEO succession planning
2. In carrying out its duties and responsibilities, the Committee shall:
 - (a) Develop position descriptions for the CEO and other senior management that establishes annual and longer term expectations and related compensation incentives;
 - (b) annually assess and make a recommendation to the Board with regard to the competitiveness and appropriateness of the compensation package of the CEO, all other officers of Badger and such other key employees of Badger as may be identified by the CEO and approved by the Committee (collectively, the "**Designated Employees**");

- (c) annually review the performance targets and criteria for the CEO and evaluate the performance of the CEO against such targets and criteria and recommend to the Board the amount of regular and incentive compensation to be paid to the CEO;
 - (d) annually, in consultation with the CEO, review the CEO's assessment of the Designated Employees' performance targets and criteria and evaluate the performance against such targets and criteria and recommend to the Board the amount of regular and incentive compensation to be paid to the Designated Employees.
 - (e) review and make a recommendation to the Board regarding any employment contracts or arrangements with each of the Designated Employees, including any retiring allowance arrangements or any similar arrangements to take effect in the event of a termination of employment;
 - (f) from time to time, review and make recommendations to the Board in respect of the design, benefit provisions, investment options and text of applicable pension, retirement and savings plans or related matters;
 - (g) annually, in conjunction with Badger's general and administrative budget, review and make recommendations to the Board regarding compensation guidelines for the forthcoming budget period;
 - (h) when requested by the CEO, review and make recommendations to the Board regarding short term incentive or reward plans and, to the extent delegated by the Board, approve awards to eligible participants;
 - (i) when requested by the CEO, review and make recommendations to the Board regarding incentive unit option plans or any other long term incentive plans and to the extent delegated by the Board, approve grants to participants and the magnitude and terms of their participation;
 - (j) as required, fulfill the obligations assigned to the Committee pursuant to any other employee benefit plans approved by the Board;
 - (k) annually, prepare or review the report on executive compensation required to be disclosed in Badger's information circular or any other human resource or compensation matter required to be publicly disclosed by Badger;
 - (l) periodically, but at least every third year, review and make a recommendation to the Board regarding the compensation of the Board;
 - (m) review and make recommendations to the Board regarding any material outside community or professional service or outside Board opportunities being considered by Designated Employees prior to their acceptance of such positions;
 - (n) as required, retain independent advice in respect of human resources and compensation matters and, if deemed necessary by the Committee, meet separately with such advisors;
 - (o) annually review the succession plans for the Executive Management. Monitor the progress and development of executives in accordance with the succession plans and annually review the adequacy of succession candidates to foster timely and effective executive continuity. The Committee will report on these matters to the Board at least once a year.
 - (p) assess, on an annual basis, the adequacy of this Mandate and the performance of the Committee; and
 - (q) consider any other matter properly referred to the Committee by the Board, a Director, or the CEO, for review, recommendation or decision.
3. The Committee shall meet regularly with the Chief Executive Officer each year, without other members of management, to discuss his views on the executive leadership team in general, and his potential successors. The Committee shall also meet in camera each year with the Board, without the Chief Executive Officer, to discuss the

candidates he had identified as possible successors. The succession plan for the Chief Executive Officer shall be a focus area for the Committee and through the Committee, shall be a focus area for the Board. The Committee shall also establish an emergency succession plan, should it be required. The Committee shall develop a detailed and formalized succession planning process for the Chief Executive Officer, senior management and other strategic positions considered critical to the success of Badger. The Committee's succession planning process will involve working with the Chief Executive Officer to review the internal talent pool on a regular basis, and selecting potential candidates, selecting executive development opportunities, and evaluating performance and progress, as well as planning for illness, disability and other unscheduled absences. This shall include long range planning for executive development and succession to ensure leadership sustainability and continuity. In connection therewith and following discussion with management and the Board, the Committee may recommend that vice presidents and senior executives be moved to new or modified roles to provide developmental opportunities and increase the leadership bench strength of Badger. The Committee is responsible for ensuring Badger has appropriate programs for succession planning, overseeing human capital risk to ensure Badger's management programs (including those for officers) effectively addressing succession planning and reporting and recommending to the board of directors on succession planning matters. Given the importance of succession planning, it shall be a standing agenda item at each regularly scheduled Committee meeting and succession plans shall be reviewed at least annually with the Board.

4. The Committee shall establish a clawback policy which will provide the Board with discretion to recover any and all incentive compensation received or realized by an executive officer of Badger if there is an incidence of misconduct by such executive which results in the executive receiving excess compensation. The misconduct shall include but not be limited to misconduct resulting in the need for Badger to publicly issue an accounting restatement of all or a portion of its interim or annual financial statements. Misconduct is generally characterized as gross negligence, intentional misconduct, fraud or other misconduct or wilful act engaged in by the applicable executive which resulted in the executive receiving excess compensation and may also result in a financial restatement by Badger. The Board shall have discretion as to the application of the policy.
5. In addition to the foregoing, the Committee shall undertake on behalf of the Board such other initiatives as may be necessary or desirable to assist the Board in discharging its responsibility to ensure that appropriate human resources development, performance evaluation, compensation and succession planning programs are in place and operating effectively.

Document Control Information

Approved by Board of Directors: Yes

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