



# Charter of the Compensation, Governance and Nominating Committee

302 Town Centre Blvd., Suite 300  
Markham, ON L3R 0E8

The Compensation, Governance and Nominating Committee (the “**Committee**”) is responsible for fulfilling the duties specifically delegated to it from time to time by the board of directors (the “**Board**”) of Sienna Senior Living Inc. (the “**Company**”) and those otherwise required or contemplated by applicable law to be undertaken and performed by a committee of this nature. Without limiting the generality of the foregoing, the Committee will assist the Board:

- (a) in fulfilling its oversight responsibilities in relation to the selection, retention, compensation, benefits and professional development of the Chief Executive Officer, Chief Financial Officer and such other senior officers of the Company as the Committee may determine from time to time (“**senior management**”);
- (b) with respect to the size, composition and structure of the Board and its committees;
- (c) with respect to orientation and continuing education for directors of the Company (“**Directors**”);
- (d) with the Company’s overall approach to governance;
- (e) with matters involving actual or potential conflicts of interest for Directors;
- (f) in reviewing the Company’s governance documents including the Code of Business Conduct and Ethics (the “**Code**”) and the Disclosure and Insider Trading Policy;
- (g) on referral from the Audit Committee, with matters relating to complaints received under the Company’s complaints procedure as outlined in the Code; and
- (h) Overseeing and monitoring the Company’s environmental, social and governance and corporate social responsibility initiatives, including with respect to diversity and inclusion.

## **MEMBERS**

The Committee shall be comprised of at least 3 members selected by the Board for participation. All members of the Committee shall be Independent Directors as defined in National Policy 58-201-Corporate Governance Guidelines (“**NP-201**”). All members of the Committee should have an understanding of issues related to compensation and governance or be willing and able to acquire the necessary knowledge within a short time of being appointed to the Committee.

## **DUTIES**

### **Named Executive Officer (NEO) Selection, Retention and Succession Planning**

The Committee will keep itself apprised of matters relating to the selection and retention of NEOs (as defined in National Instrument 51-102-Continuous Disclosure Obligations) and ensure that a succession plan for NEOs is in place.

### **NEO Development**

The Committee will:

- (a) review retention programs for NEOs;

- (b) review and monitor the practices used to evaluate NEOs; and
- (c) review the Chief Executive Officer's recommendations and/or decisions with respect to the recruitment, promotion, transfer and termination of other NEOs.

## **Employment Terms, Compensation and Benefits**

### **Evaluation, Compensation and Succession – Chief Executive Officer**

The Committee will:

- (a) develop a position description for the Chief Executive Officer, setting out the Chief Executive Officer's authority and responsibilities;
- (b) on an annual basis review and approve the goals and objectives that are relevant to the Chief Executive Officer's compensation;
- (c) evaluate the Chief Executive Officer's performance in meeting his or her annual goals and objectives;
- (d) annually review and recommend to the Board for approval, the Chief Executive Officer's compensation (salary, short-term incentive bonus and long-term incentive award, as applicable) based on the evaluation referred to above and such other factors as the Committee considers relevant such as relative investor return, the value of similar incentive awards to chief executive officers at comparable entities, the achievement of individual objectives as well as objectives of the Company and the awards given to the Chief Executive Officer in past years;
- (e) assist the Board in evaluating and nominating potential successors to the Chief Executive Officer; and
- (f) recommend to the Board remedial action where necessary.

### **Compensation of NEOs (Other than the Chief Executive Officer)**

The Committee will:

- (a) after obtaining and considering the recommendations of the Chief Executive Officer, annually review and make recommendations to the Board for approval of the compensation of the other NEOs. The Committee will assess the compensation of the other NEOs in light of the Company's performance, shareholder returns, compensation paid to senior management in comparable organizations and such other factors as the Committee considers relevant from time to time. In addition, in assessing the compensation of the Chief Financial Officer, the Committee will consider any input from the Audit Committee regarding his or her competence and performance; and
- (b) review and monitor the employment and severance arrangements of the other NEOs and discuss with senior management any questions or concerns the Committee may have regarding such arrangements.



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## Incentive Compensation

The Committee will:

- (a) make recommendations to the Board with respect to the adoption and amendment of incentive compensation plans, including equity-based plans for the Company, subject to shareholder approval, as appropriate;
- (b) act as the administrator of equity-based incentive plans of the Company; and
- (c) approve the annual incentive bonus awards and long-term incentive bonus awards for the NEOs.

## Benefit Plans and Perquisites

The Committee will:

- (a) review the employee benefit plans and discuss with senior management any questions or concerns the Committee may have regarding such plans; and
- (b) review and make recommendations to the Board with respect to all benefit plans designed primarily for the NEOs and any other special or significant perquisites granted only to the NEOs.

## Employment Agreements and Severance Arrangements

The Committee will, review and make recommendations to the Board with respect to employment agreements, severance arrangements and any changes to contractual agreements and provisions, including pension arrangements, for NEOs.

## CEO Equity Ownership Requirements

The Committee will review annually and make recommendations to the Board on the minimum equity ownership position to be held by the Chief Executive Officer and monitor compliance with such ownership requirement.

## Matters Relating to Directors

### Board Size, Composition and Structure

The Committee will:

- (a) examine the size of the Board and recommend to the Board a size that facilitates effective decision making. In addition, taking into consideration the recommended size of the Board, and subject to the requirements of applicable law, the Company's bylaws, and the Board Mandate, the Committee will recommend the number of Board positions to be filled by Independent Directors (within the meaning of NP 58-201);
- (b) review the overall composition of the Board, taking into consideration such factors as the skills matrix described in the Board Mandate, business experience and specific areas of expertise of each Director, and make recommendations to the Board as it determines appropriate;



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- (c) evaluate whether the necessary and appropriate committees exist to support the work of the Board and make recommendations to the Board for the reorganization of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines appropriate.

## Director Qualifications

The Committee will:

- (a) develop and update the skills matrix for Directors described in the Board Mandate; and
- (b) make recommendations to the Board with respect to the preferred experience and qualifications for new Directors which will reflect, among other things:
  - (i) competencies, skills and personal qualities that the Board considers to be necessary for the Board, as a whole to possess;
  - (ii) competencies and skills that the Board considers each existing Director to possess;
  - (iii) competencies, skills and personal qualities that each new Director would bring to the Board;
  - (iv) responsibilities that would not materially interfere with or be incompatible with Board membership.

## Candidates for Board Membership

The Committee will:

- (a) recommend to the Board a list of candidates for nomination for election to the Board at the Company's annual meeting of shareholders;
- (b) as the need arises, identify and recommend to the Board new candidates for Board membership, and in making such recommendations the Committee will provide an assessment of whether each candidate is or would be "Independent" (within the meaning of NP 58-201) and whether such candidate would meet the eligibility requirements imposed by applicable law or regulation for membership on one or more of the committees of the Board.

## Appointments to Board Committees

The Committee will recommend to the Board those Directors it considers qualified for appointment to each committee of the Board, including making recommendations as to which Director should serve as the chair of each committee. Where a vacancy occurs at any time in the membership of any Board committee, the Committee will recommend to the Board a Director to fill such vacancy.

## Succession

The Committee will maintain a Board succession plan that is responsive to the Company's needs and the interests of its shareholders.



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## Orientation and Continuing Education

The Committee will:

- (a) ensure that new Directors receive orientation materials describing the Company's business and its corporate governance policies and procedures; and
- (b) confirm that resources are made available to provide Directors with appropriate continuing education opportunities.

## Performance Assessments

The Committee will:

- (a) annually review the effectiveness of the Board in fulfilling its responsibilities and duties as set out in the Board Mandate;
- (b) annually review the effectiveness of each committee of the Board in fulfilling its responsibilities and duties as set out in the charter of such committee;
- (c) annually review, either by way of a peer assessment survey or one-on-one interviews between the chair of the Board and each Director, the performance of each member of the Board with consideration being given to, among other things, skills and expertise, group dynamics, core competencies, personal characteristics, accomplishment of specific responsibilities, meeting attendance, participation and candor;
- (d) report annually to the Board its assessment of the effectiveness of the Board and each Board committee;
- (e) recommend to the Board an action plan to address issues that may be raised as a result of the performance assessments; and
- (f) establish minimum attendance standards for Directors and ensure that the Company's public disclosure reflects each Director's attendance record, the frequency of Board and committee meetings and the Director performance assessment process.

## Compensation

The Committee will review, at least annually, the adequacy and form of Directors' compensation and recommend to the Board a compensation model that appropriately compensates Directors for the responsibilities and risks involved in being a Director or a member of one or more Board committees, as applicable. In discharging this duty, the Committee will bear in mind that compensation should fairly pay Directors for work required in an entity of the Company's size and scope.

## Director Equity Ownership

The Committee will review annually and make recommendations to the Board on the minimum equity ownership positions to be held by Directors and monitor compliance with such ownership requirements.

## **Approach to Governance**

The Committee will review the Company's overall approach to governance and make recommendations to the Board in this regard. Among other things, the Committee will:

- (a) at least annually, review and assess the Board Mandate adopted by the Board and recommend any amendments to the Board;
- (b) review the Charter of the Audit Committee at least annually, after the review by the Audit Committee;
- (c) at least annually, review and recommend to the Board any amendments to the Disclosure and Insider Trading Policy of the Company;
- (d) annually review the position descriptions for the chair of the Board, the Chief Executive Officer and the chairs of each Board committee and recommend any amendments to the Board;
- (e) review and recommend the implementation of procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- (f) monitor relationships between senior management and the Board, and recommend procedures to allow Directors to have access to, and an effective relationship with, senior management;
- (g) be available as a forum for addressing the concerns of individual Directors;
- (h) recommend to the Board a process for evaluating the contributions of individual Directors to assist the Board in assessing Directors' suitability for re-election;
- (i) work with the Chief Executive Officer and other members of senior management to foster a healthy governance culture within the Company;
- (j) on referral from the Audit Committee, monitor compliance with the Company's Code, internal policies, procedures and controls and other statutory and regulatory requirements applicable to the Company;
- (k) monitor developments and changes to regulatory requirements and best practices in the areas of compensation and governance and recommend initiatives that will help the Company maintain high standards of governance; and
- (l) on referral from the Audit Committee, consider and provide advice and recommendations to the Board with respect to complaints received under the Company's complaints procedure of the Code.

## **Code of Business Conduct and Ethics**

The Committee will:

- (a) develop and review the Company's Code and associated policies to confirm that they address, among other things, conflicts of interest, related party transactions, insider trading, confidentiality, fair dealing, protection and proper use of the Company's assets, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behaviour, and

- establish mechanisms to facilitate the effective operation of the Code and associated policies and the granting of waivers of the Code and associated policies;
- (b) at least annually, review and recommend to the Board any amendments to the Code;
  - (c) consider and provide advice and recommendations to the Board with respect to the Code;
  - (d) approve any waivers of the Code sought by Directors or members of senior management; and
  - (e) confirm that any waivers of the Code for Directors or members of senior management are promptly disclosed.

### **Human Resources Matters**

The Committee will review, with the appropriate members of senior management, the Company's human resource management practices, including policies and procedures and compliance therewith or any violations thereof, and, as the Committee determines appropriate, review any actions taken to ensure compliance with such policies and procedures and the results of such actions.

From time to time, the Committee will review the Company's policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentives and recommend changes to the Board, if appropriate.

### **Risk Management**

The Committee will assist the Board in ensuring that an appropriate framework is in place to identify and manage the risks applicable to the Company.

The Committee shall, as it determines appropriate:

- (a) meet with senior management to review and discuss senior management's timely identification of the most significant risks, including those risks related to or arising from the Company's weaknesses, threats to the Company's business and the assumptions underlying the Company's strategic plan (the "**Principal Risks**");
- (b) recommend to the Board for approval policies (and changes thereto) setting out framework within which each identified Principal Risk of the Company shall be managed;
- (c) obtain periodic reports from senior management specifying the management of the Principal Risks of the Company, including compliance with the policies of the Company for the management of Principal Risks;
- (d) review with senior management the Company's tolerance for financial risk and senior management's assessment of the significant financial risks facing the Company;
- (e) review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion; and



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- (f) review the adequacy of insurance coverages maintained by the Company.

## **ACCESS TO OUTSIDE ADVISORS**

The Committee may retain any outside advisor, including an executive search firm or a compensation consultant, at the expense of the Company at any time and has the authority to determine any such advisor's fees and other retention terms. The Committee shall inform the Chief Executive Officer of the retention of an advisor, unless the Board determines that such disclosure is not appropriate. The Committee, and any outside advisors retained by it, will have access to all records and information relating to the Company, which it deems relevant to the performance of its duties.

## **REPORTING**

The Committee will:

- (a) regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities, including any matters relating to the Company's complaints procedure referred to it by the Audit Committee;
- (b) oversee and approve the preparation of the "Compensation Discussion and Analysis" and any other compensation sections of the Company's management information circular or any public disclosure of the Company; and
- (c) oversee the preparation of the "Form 58-101F1 – Corporate Governance" section of the Company's management information circular.

## **COMMITTEE MEETINGS**

### **Scheduling**

The Committee will meet as often as it determines is necessary to fulfill its responsibilities and is expected to meet on a quarterly basis. A meeting of the Committee may be called by the chair of the Committee, the chair of the Board, the Chief Executive Officer or any Committee member. Meetings will be held at a location determined by the chair of the Committee.

### **Agenda**

The chair of the Committee will establish the agenda for each meeting with the benefit of input from the Chief Executive Officer and senior management of the Company. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

### **Distribution of Information**

The chair of the Committee will distribute, or cause the Secretary of the Company to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.





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## **Attendance and Participation**

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference. Poor attendance by a member (an absence from more than one regularly scheduled Committee meeting per year) will be considered by the Committee in deciding whether to recommend the Director to the Board for re-election as a Director.

## **Quorum**

A quorum for any meeting of the Committee shall be at least 50% of the members of the Committee.

## **Absence of Chair of the Committee**

In the absence of the chair of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chair of that meeting.

## **Secretary**

The Committee may appoint one of its members or any other person to act as secretary for that meeting.

## **Minutes of Meetings**

A person designated by the chair of the Committee at each meeting will keep minutes of the proceedings of the Committee and the chair will cause the Secretary of the Company to circulate copies of the minutes to each member on a timely basis.

## **In Camera Sessions**

At each Committee meeting, the members of the Committee shall meet without the attendance of management of the Company, unless waived by the chair of the Committee.

## **CHAIR OF THE COMMITTEE**

Each year, the Board will appoint one member to be chair of the Committee to serve until the next annual election of Directors or otherwise until his or her successor must be duly appointed. If, following the election of Directors, in any year, the Board does not appoint a chair of the Committee, the incumbent chair of the Committee will continue in office until a successor is appointed.

## **REMOVAL AND VACANCIES**

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

## **COMMITTEE EFFECTIVENESS ASSESSMENT**

At least annually, the Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the Board Mandate adopted by the Board.



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### **REVIEW AND DISCLOSURE**

The Committee will review this Charter at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate.