



## TETRA BIO-PHARMA INC. (the “Corporation”)

### COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE CHARTER

#### NAME

There shall be a committee of the board of directors of the Corporation (the “**Board**”) of Tetra Bio- Pharma Inc. (“**Tetra**”) known as the Compensation, Nominating and Governance Committee (the “**Committee**”).

#### GENERAL PURPOSE

The Committee has been established to assist the Board in: (i) identifying potential nominees to the Board; (ii) assessing the effectiveness of the directors, the Board and the various committees of the Board and the composition of the Board and its committees; (iii) discharging its responsibilities regarding compensation of Tetra’s executives and the members of the Board; (iv) setting objectives for the chief executive officer of Tetra (the “**CEO**”) and evaluating the CEO’s performance; (v) monitoring management’s succession plan for the CEO and other senior management; and, (vi) discharging its responsibilities related to overall oversight and corporate governance of the organization.

#### COMPOSITION

The Committee membership shall be comprised of as many members as the Board shall determine, but in any event not fewer than three members. The Committee’s composition shall meet all independence, legal and regulatory requirements. All members will have a working familiarity with corporate governance practices. The Board shall designate the chair (the “**Chair**”) of the Committee and in so doing shall consider the recommendation of the Committee. Each member shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board, following consultation with the Committee, may fill a vacancy at any time. The members of the Committee shall elect a secretary of the Committee (the “**Secretary**”) who will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, or if the members so decide, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting. Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee. Minutes of Committee meetings shall be recorded and maintained by the Secretary, or any other person acting in such capacity, and subsequently presented to the Committee for approval.

#### COMMITTEE MEETINGS

The Chair, following consultation with Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee shall meet a minimum of twice a year, including once prior to the Board meeting to approve the disclosure regarding executive compensation contained in the management information circular for Tetra’s annual meeting of shareholders of Tetra. Additional meetings will be scheduled as required in response to specific circumstances. The Chair shall develop and set the Committee’s agenda in consultation with members of the Committee, the Board and management. An agenda for each meeting will be disseminated to Committee members as far in advance of each meeting as is practicable. The quorum for a meeting of the Committee shall be a majority of its members, provided that one of those present is the Chair. The Committee may meet in camera without members of management in attendance for a portion of each meeting of the Committee.

Between meetings, the Chair or any member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated member will promptly report to the other members in any case in which this interim power is exercised.

## **RESPONSIBILITIES**

The Committee is mandated to carry out the following responsibilities:

### **a) Board Composition**

The Committee shall review with the Board on an annual basis the current size, composition and operation of the Board with a view to ensuring that the members of the Board have the independence, expertise, experience, personal qualities and ability to make the necessary time commitment to Tetra in light of the opportunities and risks facing Tetra.

### **b) Nominations to the Board of Directors**

The Committee shall propose to the Board nominees they believe to be qualified to be directors and, in doing so, shall consider both the opportunities and risks facing Tetra and the independence, expertise, experience, personal qualities and ability to make the necessary time commitment of a proposed nominee in order to add value to Tetra.

### **c) Committee Memberships**

The Committee shall review and assess the size and composition of all of the committees of the Board, and shall identify and recommend to the Board the names of directors to serve as members of the audit committee of Tetra and such other committees as may exist from time to time, as well as the Committee itself. In addition, the Committee shall recommend to the Board a member of each of the aforementioned committees to serve as chair of the applicable committee. The Committee shall identify names of directors to fill vacancies on committees.

### **d) Effectiveness of the Board**

The Board shall be responsible for developing and implementing a program for assessing the effectiveness of the individual directors, the Board and its committees, including considering the experience and expertise of members against the needs of each committee and the Board. The Committee shall conduct an annual evaluation of the Board's effectiveness and shall report the results of the evaluation to the chair of the Board and the Board.

### **e) Directors' Compensation**

The Committee shall consider the form and amount of compensation for directors and the chair of the Board and, in the Committee's discretion, recommend any changes to the Board for consideration. The Committee shall periodically review such compensation, taking into consideration such factors as time commitment, compensation at comparable public corporations and responsibilities to ensure such compensation is reasonable, competitive, aligns the interests of directors with those of shareholders and is consistent with the time commitment, risks and responsibilities involved in being an effective director.

## **f) Orientation and Education**

The Committee shall cause to be provided an orientation and education program to new Board members and continuing education as necessary.

## **g) Approval of Independent Advice for Directors**

The Committee shall consider and approve, if appropriate, requests by individual directors to engage external special advisors and approve the necessary funding to compensate such advisors.

## **h) Executive Compensation**

The Committee shall:

1. Establish and administer policies with respect to the compensation of executive officers of Tetra, if necessary
2. Establish compensation levels annually for the executive officers of Tetra (giving consideration to third party competitive data, information from independent consultants and the responsibilities and time commitments of each position, as necessary) including:
  - base salaries and salary ranges for executive officers;
  - any and all bonus and benefit schemes;
  - any and all special arrangements including automobile allowances, perquisites and any termination provisions in respect to change of control of Tetra;
  - any and all deferred or other compensation;
  - any and all stock options and other equity-based compensation; and
  - any and all incidental benefits.
3. Review, and oversee the administration by management of, Tetra's general compensation and benefit programs and assess the extent to which the programs are meeting their intended objectives.
4. Review and approve the corporate goals and objectives relevant to the compensation of the CEO annually and in the context of Tetra's strategic plan. Evaluate the performance of the CEO in light of those goals and objectives and set the compensation level of the CEO based on this evaluation.
5. Assess the performance of the CEO and determine the appropriate level of performance compensation (bonus). Bonuses will be awarded on the basis of achievement of specific current year financial and operating targets set by the Board including, without limitation, relative shareholder return as well as achievement of the objectives outlined in the strategic plan.
6. Review annually the objectives set by the CEO for executive officers in the context of Tetra's strategic plan and, in concert with the CEO, review the performance assessment of individual executive officers and determine their levels of performance compensation and targets.
7. Administer the incentive stock option plan and other equity based compensation plans and make recommendations to the Board with respect to the granting of options thereunder.
8. Prepare disclosure with respect to executive compensation for inclusion in the annual management information circular.

9. The Committee shall review and, where appropriate, make recommendations to the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for Tetra's senior management. The Committee shall periodically evaluate existing agreements with Tetra's senior management for continuing appropriateness.

### **i) Organization Structure and Succession Planning**

The CEO has the responsibility for the organizational structure of Tetra and its management team and to present to the Committee an assessment of its effectiveness and any proposed changes of a significant or strategic nature. The Committee shall:

1. Monitor and report to the Board on the organizational structure of Tetra's management, including an assessment of the effectiveness of the structure and any organizational changes proposed by the CEO.
2. Monitor management's succession plan for the CEO and other senior management and periodically report to the Board with recommendations on succession planning issues.

### **j) Review of Policies**

The Committee shall review on an annual basis and approve Tetra's strategic corporate policies and material amendments thereto, including any relevant policies associated with ensuring an effective system of corporate governance.

### **k) Report to Board**

The Committee shall report periodically, but no less than once annually, to the Board and make available to the Board the minutes of its meetings.

### **l) Other**

The Committee shall perform any other activities consistent with this Charter, Tetra's by-laws or as delegated by the Board from time to time.

## **RESOURCES**

The Committee shall have the sole authority to retain (or to terminate) consultants or advisors to assist the Committee in carrying out its responsibilities. The Committee shall be provided with the necessary funding to compensate any consultants or advisors retained by the Committee.

The Committee will be granted unrestricted access to all information regarding Tetra that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members.

## **REVIEW OF CHARTER**

The Charter of the Committee will be reviewed by the Board periodically and modified if necessary.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. The terms of this Charter are not intended to give rise to civil liability on the part of Tetra or its



directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

## **DELEGATION OF AUTHORITY**

The Committee may delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

## **LIMITATION ON THE OVERSIGHT ROLE OF THE COMMITTEE**

Nothing in this Charter is intended, or may be construed, to impose 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 all members of the Board of Directors are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside Tetra from whom he or she receives information and the accuracy of the information provided to Tetra by such persons or organizations.

Dated:

January 15, 2019

Approved by:

Board of Directors on January 15, 2019