



# MANAGEMENT INFORMATION CIRCULAR

May 18, 2021



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

### When

Tuesday, June 29, 2021, at 10:00 a.m. (EDT)

### Where

Due to the potential continuation of restrictions on gatherings in Toronto, Ontario arising from the public health impact of the Coronavirus (COVID-19), and to mitigate risks to the health and safety of our communities, shareholders, employees, directors and other stakeholders, Torex Gold Resources Inc. (the “**Company**”) will hold the 2021 annual and special meeting of shareholders (the “**Meeting**”) by virtual meeting conducted via live audio webcast. Shareholders can access the Meeting by visiting <https://web.lumiagm.com/221288559>.

### The Meeting is for the following purposes:

- to receive the audited financial statements of the Company for the year ended December 31, 2020 and the report of the auditors thereon;
- to elect Directors of the Company for the ensuing year;
- to re-appoint KPMG LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration;
- to consider and, if deemed appropriate, pass, with or without variation, a non-binding advisory resolution on executive compensation; and
- to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

### Receiving Materials for the Meeting

This notice is accompanied by the management information circular (the “**Circular**”), a form of proxy, and a supplemental mailing list and consent for electronic delivery return card (collectively, the “**Meeting Materials**”). For those shareholders who did not request to receive a copy of the Company’s audited financial statements, a copy is available upon request to the Company and can also be found on the Company’s website at [www.torexgold.com](http://www.torexgold.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

This year, as described in the notice and access notification mailed to shareholders of the Company, the Company has decided to deliver the Meeting Materials to all registered and non-registered shareholders by posting it to the website found at [www.envisionreports.com/HGIQ2021](http://www.envisionreports.com/HGIQ2021). The use of this alternative means of delivery is more environmentally friendly as it will reduce paper use and the Company’s carbon footprint, and it will also reduce the Company’s printing and mailing costs. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company pays the cost of delivery of proxy materials for all registered and non-registered shareholders.

Shareholders may request copies of the Meeting Materials at no cost by calling toll-free at 1-866-962-0498; or, if outside of North America, by calling 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 647-260-1500.

If you would like more information about the “notice-and-access” rules, please contact Computershare Investor Services Inc., the Company’s registrar and transfer agent, toll-free at 1-866-964-0492.

### Your Vote is Important

As mentioned above, the Company is conducting an online only shareholders’ meeting. Shareholders will not be able to attend the Meeting in person. In addition to mitigating the risks posed by COVID-19, the Company believes hosting the Meeting virtually will enable increased shareholder attendance from different geographic locations



and will encourage more active shareholder engagement and participation at the Meeting. Shareholders will be able to listen to the Meeting live, submit questions and submit their vote while the Meeting is being held. Please note that Non-Registered Shareholder (as defined below) are required to take additional steps in order to participate, vote, or submit questions during the Meeting's live webcast.

Registered Shareholders (as defined in this Circular under the heading "Section 2. Attendance and Voting at the Meeting" and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/221288559> where they can participate, vote, or submit questions during the Meeting's live webcast.

Registered shareholders will need to enter the 15-digit control number (the "**Control Number**") as your username. The Control Number is located on your form of proxy or in the email notification you received in order to access the Meeting. You will also need to enter the password, **torex2021**. Duly appointed proxyholders will be provided with a username after the voting deadline has passed and the same password, **torex2021**, will be required to access the Meeting.

Most shareholders of the Company are "non-registered" shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares. **In order to participate, vote, or submit questions during the Meeting's live webcast, a Non-Registered Shareholder will need to appoint themselves as a proxyholder.** See "Section 6 - Voting by Non-Registered Shareholders" in the Circular for information on how a Non-Registered Shareholder may make arrangements to be duly appointed as a proxyholder.

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the form of proxy.

The board of directors of the Company, has by resolution, fixed the close of business on May 12, 2021 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournment or adjournments thereof.

The board of directors of the Company has by resolution fixed 10:00 AM (EDT) on June 25, 2021, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournments, as the time by which proxies to be used or acted upon at the Meeting or any adjournment or adjournments thereof shall be deposited with the Company's transfer agent, Computershare Investor Services Inc., in accordance with the instructions set forth in the accompanying management information circular and in the form of proxy. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

**DATED** at Toronto, Ontario this 18th day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

A handwritten signature in blue ink, appearing to read "Jody Kuzenko".

**Jody Kuzenko**  
President and Chief Executive Officer

**MANAGEMENT INFORMATION CIRCULAR**  
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## 1. BUSINESS OF THE MEETING

### 1.1 Receive Financial Statements

The audited consolidated financial statements (“**Financial Statements**”) for the year ended December 31, 2020, as well as management’s discussion and analysis for Torex Gold Resources Inc. (“**Torex**” or the “**Company**”) for the year ended December 31, 2020, will be presented at the annual and special meeting of shareholders (the “**Meeting**”) of the Company to be held virtually at the time and for the purposes set forth in the accompanying Notice of Annual and Special Meeting.

A copy of the Financial Statements and the auditors’ report can be downloaded from the Company’s website ([www.torexgold.com](http://www.torexgold.com)). You may also request a copy from the Company (see “Section 18 - Additional Information”).

### 1.2 Election of Directors

Our articles provide that the board of directors (the “**Board**”) may consist of a minimum of three and a maximum of eleven directors (“**Directors**”). The Board presently consists of ten Directors. The Board has determined to fix the number of Directors at nine and nominate each of the following persons for election as a Director at the Meeting: Richard (Rick) A. Howes, Jody L.M. Kuzenko, Franklin (Frank) L. Davis, Tony S. Giardini, Jennifer J. Hooper, Jay C. Kellerman, Rosalie (Rosie) C. Moore, Roy S. Slack and Elizabeth A. Wademan. Five of the nominees are current members of the Board, Rick Howes, Jody Kuzenko, Frank Davis, Roy Slack and Elizabeth Wademan, and four nominees are proposed as new Directors, Tony Giardini, Jennifer Hooper, Jay Kellerman and Rosie Moore. See “Section 10.7 – Board Succession”.

Management does not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each Director elected will hold office until the close of the next annual meeting of shareholders of the Company unless their office is earlier vacated.

The Company’s by-laws require advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company, other than pursuant to a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”) or a shareholder proposal made pursuant to the provisions of the Act. As at the date hereof, the Company has not received notice of any Director nominations by shareholders in connection with the Meeting.

“Section 11.1 - Information About Director Nominees - Director Profiles” provides information on each Director’s background, education, experience and committee membership.

A shareholder may vote *for* all the nominated Directors, vote *for* some of them and *withhold* votes for others or *withhold* votes for all the Director nominees (see also “Section 11.6 - Information About Director Nominees - Majority Voting for Directors”).

#### **The Board and management recommend voting FOR each of the nine nominees.**

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote **FOR** each of the nine nominees.

### 1.3 Re-appointment of the Auditors

At the Meeting, shareholders will vote on the re-appointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. KPMG LLP was first appointed as auditors of the Company on March 2, 2010. Additional information on the Company's auditors is included in the Company's most recent Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com).

A shareholder may vote *for* the re-appointment of KPMG LLP or *withhold* their vote.

**The Board and management recommend voting FOR re-appointing KPMG as the auditors of the Company.**

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote **FOR** the appointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Company until the close of the next annual meeting of shareholders.

### 1.4 "Say on Pay" Advisory Vote

The Board has adopted a policy that provides for an annual advisory shareholder vote on executive compensation known as "Say on Pay". The Say on Pay Policy is designed to enhance accountability for the Board's compensation decisions by giving shareholders a formal opportunity to provide their views on the Board's approach to executive compensation through an annual non-binding advisory vote. This is an advisory vote and the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with shareholders on compensation and related matters. The Company will disclose the results of the shareholder advisory vote as a part of its report on voting results for the Meeting.

The Company's approach to executive compensation was accepted at the previous shareholder meeting held on June 17, 2020; 62,865,002 (96.81%) of the votes were "for" and 2,068,963 (3.19%) of the votes were "against" the non-binding advisory resolution.

Shareholders are encouraged to review and consider the detailed information regarding the Company's approach to compensation in "Section 12 - Statement of Executive and Director Compensation".

Shareholders may vote *for* or *against* the Say on Pay advisory resolution.

**The Board and management recommend voting FOR the Say on Pay advisory resolution.**

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** the Say on Pay resolution.

At the Meeting, shareholders will be asked to consider the following non-binding advisory resolution on the acceptance of the Company's approach to executive compensation:

**"BE IT RESOLVED THAT**, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in the Company's information circular dated May 18, 2021 and delivered in advance of the Meeting."

## 2. ATTENDANCE AND VOTING AT MEETING

Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://web.lumiagm.com/221288559>.

- A registered holder of Common Shares (a “**Registered Shareholder**”), and duly appointed proxyholders can participate in the Meeting by clicking “**I have a login**” and entering a username and password before the start of the Meeting.
  - Registered Shareholders - The 15-digit control number located on the form of proxy or in the email notification you received is the username and the password is **torex2021**.
  - Duly appointed proxyholders – Computershare Investor Services Inc. (“**Computershare**”) will provide the proxyholder with a username after the voting deadline has passed. The password to the Meeting is **torex2021**.
- Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders (as defined in this Circular under the heading “Section 6 - Voting by Non-Registered Shareholders”) who have not appointed themselves may attend the Meeting by clicking “**I am a guest**” and completing the online form.

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/Torex> by **10:00 AM EDT on June 25, 2021** and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a username via email, see the heading “Section 4 - Appointment and Revocation of Proxies” for further information.

**It is important that you are connected to the internet at all times during the Meeting in order to vote when voting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.**

**In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a username.**

### *Participating at the Meeting*

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 10:00 AM EDT on June 29, 2021.

- Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a username by Computershare (see details under the heading “Section 6 - Voting by Non-Registered Shareholders”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/221288559> prior to the start of the Meeting to login. Click on “I have a login” and enter your 15-digit control number or username along with the password **torex2021**. Non-Registered Shareholders who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form.

- United States Beneficial holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare Investor Services Inc.  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1  
OR  
Email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than **June 25, 2021 by 10:00 AM EDT**. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/221288559> during the Meeting. Please note that you are required to register your appointment at <https://www.computershare.com/Torex>.

- Non-Registered Shareholders who do not have a 15-digit control number or username will only be able to attend as a guest which allows them listen to the Meeting, however, they will not be able to vote or submit questions. Please see the information under the heading “6. Voting by Non-Registered Shareholders” for an explanation of why certain shareholders may not receive a form of proxy.
- If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote on the matters put forth at the Meeting. If you **DO NOT** wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

### *Voting at the Meeting*

A Registered Shareholder, or a Non-Registered Shareholder who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. Each Registered Shareholder or proxyholder will be required to enter their control number or username provided by Computershare at <https://web.lumiagm.com/221288559> prior to the start of the Meeting to have their Common Shares voted at the Meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <https://www.computershare.com/Torex> after submitting their voting instruction form in order to receive a username (please see the information under the heading “Section 6 - Voting by Non-Registered Shareholders” below for details).

### 3. SOLICITATION OF PROXIES

**This Circular is furnished in connection with the solicitation of proxies by management and the Directors of Torex Gold Resources Inc. for use at the Meeting of the Company to be held virtually, at the time and for the purposes set forth in the accompanying Notice of Annual and Special Meeting.** References in the Circular to the Meeting include any adjournment(s) thereof. It is expected that

the solicitation will be primarily by mail, using notice and access; however, proxies may also be solicited personally by the Directors and by regular employees of the Company. The cost of solicitation will be borne by the Company.

The Board of the Company has fixed the close of business on May 12, 2021 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of and to vote at the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent, Computershare Investor Services Inc., at the address indicated on the envelope accompanying the form of proxy no later than 10:00 AM (EDT) on June 25, 2021, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

Unless otherwise stated, the information contained in the Circular is as of May 18, 2021. **In the Circular, all dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.**

Registered shareholders and duly appointed proxyholders (including beneficial shareholders who have duly appointed themselves as proxyholders) who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided that they are connected to the Internet, please see "Section 2 - Attendance and Voting at the Meeting" for further information.

#### 4. APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy are officers and/or Directors of the Company. **A shareholder wishing to appoint some other person to represent them at the Meeting, may do so by inserting the person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. The person (the "proxyholder") appointed does not have to be a shareholder of the Company. The completed and signed form of proxy must be delivered to the office of the Company's transfer agent, Computershare, no later than 10:00 AM (EDT) on June 25, 2021 or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.** A proxy can be delivered to Computershare either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com).

A shareholder forwarding the proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares of the Company represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing signed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and delivered to the head office of the Company (Torex Gold Resources Inc., Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2, Attention: Mary Batoff, General Counsel and Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting or with the Chair of the Meeting on the day of the Meeting or in any other manner permitted by law.

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting**

instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/Torex> by June 25, 2021 at 10:00 a.m. (EDT) and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a username via email.

**Without a Username, proxyholders will not be able to vote at the Meeting.**

If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote on the matters put forth at the Meeting. If you **DO NOT** wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

## 5. EXERCISE OF DISCRETION BY PROXIES

The persons named in the form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of all the resolutions described above. The form of proxy confers discretionary authority upon the persons named in the proxy with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting and with respect to other matters which may properly come before the Meeting.** As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) named in the proxies.

## 6. VOTING BY NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice and access notification, a voting instruction form and the supplemental mailing list and consent for electronic delivery return card (collectively, the “**Mailed Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders, and posted the Circular and the accompanying Notice of Annual and Special Meeting on the website found at <http://www.envisionreports.com/HGIQ2021>. The Company is not sending the Mailed Materials directly to non-objecting beneficial owners. The Company intends to pay for Intermediaries to deliver the Mailed Materials to the objecting beneficial owners. See also “Section 7 - Notice and Access” for further information.

Intermediaries are required to forward the Mailed Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Mailed Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Mailed Materials will either:

- be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, at the appropriate address noted on the form of proxy.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the on-line Meeting (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Mailed Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Mailed Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

## 7. NOTICE AND ACCESS

Securities laws governing the delivery of proxy-related materials, permit public companies to advise their shareholders of the availability of the management information circular on an easily-accessible website, rather than mailing physical copies. The use of this alternative means of delivery is more environmentally friendly as it will reduce paper use and the Company’s carbon footprint, and it will also reduce the Company’s printing and mailing costs. The Company has therefore decided to deliver the Circular to shareholders by posting it on the website found at <http://www.envisionreports.com/HGIQ2021>. The Circular and related Meeting materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com). All

shareholders will also receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Circular in advance of the Meeting.

Shareholders who wish to receive paper copies of the Circular may request copies at no cost by calling toll-free at 1-866-962-0498; or, if outside of North America, by calling 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 647-260-1500.

Requests for paper copies must be received by June 18, 2021, or at least 10 days in advance of any date the Meeting is adjourned to, in order to receive the Circular in advance of the proxy deposit deadline (being 10:00 AM (EDT) on June 25, 2021, or 48 hours prior excluding Saturdays, Sundays and holidays, to any adjourned Meeting date). The Circular will be sent to such shareholders within three business days of their request, if such requests are made within the foregoing timeframe.

If you would like more information about the “notice-and-access” rules, please contact Computershare Investor Services Inc., the Company’s registrar and transfer agent, toll-free at 1-866-964-0492.

## 8. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting has been fixed at May 12, 2021. All such holders of record of Common Shares are entitled either to attend and vote at the on-line Meeting the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company’s transfer agent within the time specified in the attached Notice of Annual and Special Meeting, to attend and vote at the Meeting by proxy the Common Shares held by them. As of May 18, 2021 and the record date, 85,720,770 Common Shares were issued and outstanding.

To the knowledge of the Directors and executive officers of the Company, as of May 18, 2021, there were no persons, or companies who beneficially owned, directly or indirectly, or exercised control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company, other than:

Name	Number of Common Shares Held <sup>(1)</sup>	Percentage of Common Shares Issued and Outstanding
BlackRock, Inc.	12,967,099	15.13%

Notes:

(1) The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, is based on the filings made on SEDAR by the shareholder(s) listed above pursuant to National Instrument 62-103.

## 9. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) Director or executive officer of the Company who has held such position at any time since January 1, 2020; (b) proposed nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the advisory shareholder vote on executive compensation. See “Section 1.4 – “Say on Pay” Advisory Vote”.

## 10. CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* (the “**Governance Guidelines**”) sets out best practice guidelines for effective corporate governance. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the “**Governance Disclosure Rule**”) requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing Directors, specified disclosure of the corporate governance practices must be included in the management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees, shareholders and other stakeholders. The Company’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company’s affairs and in light of opportunities or risks which the Company faces. The Directors are kept informed of the Company’s business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board has considered the Governance Guidelines and believes that its approach to corporate governance is appropriate and works effectively given the Company’s current status. The Company continues to monitor developments in Canada and the U.S. with a view to keeping its governance policies and practices current.

The Governance Disclosure Rule mandates the disclosure of the corporate governance practices of the Company, which disclosure is set out below.

### 10.1 Board and Governance Highlights

#### 10.1.1 Board Composition and Independence

The Board is currently comprised of ten Directors, eight (80%) of whom are independent. Mr. Frederick (Fred) Stanford serves as Executive Chair and Ms. Kuzenko serves as Director, President and Chief Executive Officer (“**CEO**”). Mr. Howes serves as the Lead Director.

If the Director nominees are elected at the Meeting, eight of nine (89%) will be independent Directors.

See also “Section 10.1.2 - Continued Board Renewal” below.

### 10.1.2 Continuing Board Renewal

At the Meeting, we are putting forward nine nominees for election to the Board, eight (89%) are independent and one (11%), Ms. Kuzenko, President and CEO, is not independent. As announced on April 29, 2021, Mr. Stanford has decided not to stand for re-election, and if elected, the Board intends to appoint Mr. Howes as the independent Chair of the Board. In addition, Andrew Adams, Robin Bienenstock, David Fennell and Michael Murphy have also decided not to stand for re-election. The nominees are: Rick Howes, Jody Kuzenko, Frank Davis, Tony Giardini, Jennifer Hooper, Jay Kellerman, Rosie Moore, Roy Slack and Elizabeth Wademan.

Information	Rick Howes	Jody Kuzenko	Frank Davis	Tony Giardini*	Jennifer Hooper*	Jay Kellerman*	Rosie Moore*	Roy Slack	Elizabeth Wademan
Independent	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Age	63	51	66	62	56	57	62	62	45
Gender	M	F	M	M	F	M	F	M	F
Tenure (yrs)	1	1	11.5	NA	NA	NA	NA	1	5
2020 "For" Votes (%)	99.72	99.71	81.00	NA	NA	NA	NA	99.73	99.44
Other Public Company Boards	1	None	None	1	None	None	2	None	2

\* New Nominee

See also "Section 11.1 - Director Nominee Profiles" and "Section 11.6 - Majority Voting for Directors".

In 2019 and 2020, in connection with Board and management succession planning, the Board initiated a Board rejuvenation process through the Corporate Governance and Nominating Committee, including a search to identify individuals with the qualifications, skills and experience to meet the attributes the Board was seeking. In 2020, the Corporate Governance and Nominating Committee recommended an increase in the number of Directors from nine to ten, and four new nominees were recommended for election to the Board, three as independent Director nominees and Ms. Kuzenko, a non-independent Director nominee. As mentioned above, Ms. Kuzenko was elected to the Board and succeeded Mr. Stanford as President and CEO, Mr. Stanford was re-elected and appointed Executive Chair, and Mr. Howes was appointed Lead Director.

The Board rejuvenation process continued with the support of an external professional search firm engaged by the Corporate Governance and Nominating Committee to assist with the process. The process included consideration of the business strategy of the Company; the qualifications, skills and experience of the current Directors; the existence of any gaps in the required attributes of the Board and replacing the attributes of the Directors expected to depart this year and next year; and, the qualifications, skills and experience required of new Directors to meet near term and future needs of the Company.

The Board rejuvenation process emphasizes merit, as well as, filling required roles on the Board, and diversity considerations. The Board rejuvenation process identified the following areas of expertise to supplement the attributes of the current Directors and to replace those of Directors expected to depart from the Board this year and next year; financial/audit, environment, social and related governance ("ESG"), governance, legal/regulatory, and mineral geology. The following are the proposed new Director nominees for election at the Meeting with the requisite attributes to address the areas noted: Tony Giardini

(financial/audit), Jennifer Hooper (ESG), Jay Kellerman (governance/legal/regulatory) and Rosie Moore (mineral geology). See also “Section 11.1 – Director Profiles” and “Section 11.2 – Director Expertise”.

The Board has determined that the qualifications and experience and institutional knowledge of the Company of Mr. Davis remains valuable to the Board and an additional year of overlap of Mr. Davis with the new Directors elected in 2020 and new Director nominees for 2021, is important for continuity. It is expected that the one-year overlap will be sufficient and Mr. Davis will not be standing for re-election at the annual meeting of shareholders in 2022.

See also “Section 10.7 - Board Succession”.

### 10.1.3 Board Committee Changes

In connection with the Board rejuvenation process, in 2020 the Board combined the Environment and Corporate Social Responsibility Committee with the Health and Safety Committee into the Safety and Corporate Social Responsibility Committee, and added the Technical Committee. The mandate of the Safety and Corporate Social Responsibility Committee combined the mandates of the two predecessor committees, and was supplemented with additional responsibilities of: assisting with the development and review of annual strategic ESG plans, including the development of short, medium, and long-term ESG targets; reviewing the ESG performance of the Company, including in relation to public commitments, goals, and targets; and considering and recommending improvements to ESG-related policies and practices of the Company. The Technical Committee assists the Board with its oversight of the technical aspects of the operations and projects, including among other matters, the proposed layback of the El Limón Guajes mine (the “**ELG Mine**”), the feasibility study for the Media Luna project and the test program for the Muckahi mining system.

See also “Safety and Corporate Social Responsibility Committee” and “Technical Committee” in “Section 10.20 - Board Committees”.

### 10.1.4 Enhanced Focus on ESG

Torex strives to conduct itself in a manner that is, and is perceived by others to be, trustworthy, loving, courageous, dignifying, honest and fair. The Company believes these core values are the key to the success of the Company and, for that reason, they are the foundation of the Code of Business Conduct and Ethics. As such, responsible mining is central to the Company’s business philosophy and ingrained in the decision making at all levels of the Company, from the Board and executive team, through to the operations management and individual employees. Key highlights of the Company’s 2020 ESG initiatives and performance include:

- The Safety and Corporate Social Responsibility Committee took on several new responsibilities including oversight responsibility for climate change risks and opportunities
- Established an internal ESG working group, comprised of corporate and operations subject matter experts from across various functions, which will be instrumental in advancing and implementing the Company’s ESG initiatives
- Industry leading performance in safety, achieving 10 million hours worked without a lost time incident
- Zero reportable environmental incidents
- 100% compliance with commitments made under development agreements with local communities

- Incorporated greater external stakeholder feedback into the Company’s annual ESG materiality assessment
- Completed a study of a solar plant project, and subsequent to year-end, signed an agreement for the installation of an 8.5 megawatt solar plant at the ELG Mine, the Company’s first foray into renewable energy at its operations
- Became a member of the World Gold Council (“**WGC**”) and in doing so, the Company committed to supporting and implementing the WGC’s Responsible Gold Mining Principles by the end of 2023
- Achieved an overall ESG score of “A” from MSCI, a leading provider of corporate ESG ratings

For more information on ESG initiatives and performance, see the Company’s 2020 Responsible Gold Mining Report (the “**Report**”) which is available on the Company’s website at [www.torexgold.com](http://www.torexgold.com). The Report is prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards “Core” option and the Sustainability Accounting Standards Board (“**SASB**”) Metals and Mining Sustainability Accounting Standard (Version 2018-10). The energy and climate related disclosures in the Report are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”), as per the Phase 1 recommendations of the Expert Panel on Sustainable Finance’s Recommendation on Phased-in Approach to the Adoption of the TCFD Framework in Canada.

See also “Safety and Corporate Social Responsibility Committee” in “Section 10.20 – Board Committees”.

### 10.1.5 Enhanced Diversity

The Company believes that decision-making is enhanced through diversity in the broadest sense and it has adopted a diversity policy to reflect this principle, including gender and age. Of the individuals interviewed for the four new Director nominee positions, 62% were women.

In 2020, the number of women Directors increased from one of nine (11%) to three of ten (30%) and the number of women executives increased from three of nine (30%) to four of ten (40%). If all the Director nominees are elected at the Meeting, the number of women Directors will be four of nine (44%).

	2019/20	2020/21	2021/22*
<b>% of Women Directors</b>	11%	30%	44%
<b>Average Age of Directors</b>	61.3 yrs	58.9 yrs	58.3 yrs

\* Assuming election of Director nominees

See also “Section 10.8 - Diversity Policy”.

### 10.1.6 Other Governance Highlights

<b>Board Structure and Independence</b>	<ul style="list-style-type: none"> <li>✓ Majority independent directors</li> <li>✓ Separate Chair and CEO roles</li> <li>✓ If the Chair of the Board is not independent, a Lead Director is appointed</li> <li>✓ Committees are comprised of independent Directors except the Technical Committee of which 3 of 4 Directors are independent</li> <li>✓ Executive Chair, Lead Director and CEO meet to review proposed agenda, times and materials for each Board meeting</li> <li>✓ In camera sessions are held without management present, initially with the Directors and then with only the independent Directors present</li> </ul>
<b>Shareholder Rights</b>	<ul style="list-style-type: none"> <li>✓ All Directors are elected annually</li> <li>✓ Majority voting for all Directors (in uncontested elections)</li> <li>✓ Shareholders representing at least 5% of outstanding shares are able to call special meetings</li> <li>✓ Quorum for a meeting of shareholders is two or more persons holding or representing not less than 25% of the shares outstanding</li> <li>✓ Advance notice requirement</li> </ul>
<b>Board Oversight Responsibilities</b>	<ul style="list-style-type: none"> <li>✓ Succession planning, including appointing, training and monitoring senior management</li> <li>✓ Reviewing the financial and operational performance of the Company</li> <li>✓ Integrity of the Company's internal control and management information systems</li> <li>✓ Strategic direction of the Company, annual approval of strategic plan and monitoring performance against the approved plan</li> <li>✓ Ensuring procedures are in place to manage the principal risks of the Company's business</li> </ul>
<b>Corporate Governance Practices</b>	<ul style="list-style-type: none"> <li>✓ Annual assessments of the Board, committees and individual Directors</li> <li>✓ Annual determination of the independence of each Director</li> <li>✓ Robust share ownership requirements for Directors and executives</li> <li>✓ Directors and executives are prohibited from hedging the Company's securities</li> <li>✓ Policies include the Code of Business Conduct and Ethics, the Anti-Corruption and Anti-Bribery Policy and the Whistleblower Policy</li> <li>✓ Only the Board may grant waivers of the Code of Business Conduct and Ethics which would be to the benefit of any Director or executive</li> <li>✓ Independent third-party whistleblower hotline with capability to communicate in multiple languages</li> </ul>

### 10.2 Board Composition and Independence

The Board currently consists of ten Directors, eight (80%) of whom are independent based upon the test for Director independence set forth in National Instrument 52-110 – *Audit Committees* (“NI 52-110”). Andrew Adams, Robin Bienenstock, Frank Davis, David Fennell, Rick Howes, Michael Murphy, Roy Slack and Elizabeth Wademan are independent Directors.

As set out in last year's management information circular, Mr. A. Terrance MacGibbon, who served as independent Chair of the Board, retired and did not stand for re-election at the annual meeting of shareholders in June 2020, and as part of the Board and management succession planning, Mr. Stanford and Ms. Kuzenko were nominated for re-election and election, respectively, to the Board, and upon election, Mr. Stanford stepped down as President and CEO of the Company and became the Executive Chair of the

Board, and Ms. Kuzenko was appointed President and CEO. In addition, in accordance with recommended corporate governance guidelines for circumstances where the Chair of the Board is not independent, the Board also immediately appointed Mr. Howes as the Lead Director. See also “Section 10.7 - Board Succession”.

If all the Director nominees are elected at the Meeting, eight of nine (89%) will be independent Directors.

### 10.3 Interlocking Directorships

None of the Directors of the Company, nor any of the Director nominees, serve on the same boards of directors of other reporting issuers. There are no interlocking relationships between the Compensation Committee members and the President and Chief Executive Officer of the Company.

### 10.4 Roles of the Executive Chair, Lead Director, and President and CEO

The Board has developed written position descriptions for each of the Chairman of the Board, the Executive Chairman of the Board, the Lead Director, the President and Chief Executive Officer and the mandate of each committee of the Board contains the responsibilities of the Chair of each such committee. A copy of the position descriptions are available on the Company’s website at [www.torexgold.com](http://www.torexgold.com).

Mr. Stanford, as the Executive Chair, is primarily responsible for the management and effective performance of the Board and providing leadership to the Board and the executives including providing strategic leadership, vision and technical support by working with the Board and the other executives to establish, implement and oversee the long-range and short-range goals, strategies, plans and policies of the Company.

Mr. Howes, as the Lead Director, is primarily responsible for facilitating the functioning of the Board independently of the management of the Company, including being responsible for the agenda of Board Meetings together with the Board Chair and the President and CEO, presiding over *in camera* sessions of the independent Directors, and consulting and meeting with any or all of the other independent Directors, at the request of any of them and with or without the attendance of the Board Chair, and represent such Directors in discussions with the executives of the Company, including the Board Chair, concerning corporate governance and other matters.

Ms. Kuzenko, as the President and CEO, is primarily responsible for managing the business and affairs of the Company within the corporate policies and mandates and authority limitations established by the Board. The President and CEO is also responsible for ensuring that the business strategies and operational goals of the Company are achieved and for providing leadership, oversight and guidance with respect to the business and operations of the Company. This includes ensuring the alignment of objectives throughout the corporate organization to implement the Company’s strategies and goals consistent with the core values of entrepreneurial spirit, zero harm, respect, integrity and operational excellence and the Code of Business Conduct and Ethics of the Company.

### 10.5 Board Meetings

In connection with meetings of the Board, the Executive Chair is responsible for (in consultation with the Lead Director and the Chair of the Corporate Governance and Nominating Committee, as appropriate): scheduling meetings of the Board; coordinating with the Chairs of the committees of the Board the scheduling of meetings of the committees; reviewing matters for consideration by the Board; ensuring that all matters required to be considered by the Board are presented to the Board, such that the Board is able to supervise the management of the business and affairs of the Company; setting the agenda for meetings

of the Board; monitoring the adequacy of materials provided to the Board; ensuring that the Board has sufficient time to review the materials provided and to fully discuss the business that is presented to the Board; presiding over meetings of the Board; and encouraging free and open discussion at meetings of the Board.

## 10.6 Meetings of Independent Directors

After each meeting, as a regular item on each Board and committee agenda, the independent Directors hold an *in camera* session, at which non-independent Directors and members of management are not in attendance, unless such a session is not considered necessary by the independent Directors present. In fiscal 2020, the Board held 10 meetings, and an *in camera* session of Directors, followed by an *in camera* session of the independent Directors was held at the end of each meeting.

See “Section 11.1 - Director Profiles” for a summary of the attendance record of each Director for all Board and Committee meetings held during the year ended December 31, 2020.

## 10.7 Board Succession

At the Meeting, nine nominees will be put forward for election to the Board, eight (89%) are independent and one (11%), Ms. Kuzenko, President and CEO, is not independent. As announced on April 29, 2021, Mr. Stanford has decided not to stand for re-election, and if elected, the Board intends to appoint Mr. Howes as the independent Chair of the Board. In addition, Andrew Adams, Robin Bienenstock, David Fennell and Michael Murphy have also decided not to stand for re-election. The nominees are Rick Howes, Jody Kuzenko, Frank Davis, Tony Giardini, Jennifer Hooper, Jay Kellerman, Rosie Moore, Roy Slack and Elizabeth Wademan. See also “Section 11 – Information about Director Nominees”.

In 2019 and 2020, in connection with Board and management succession planning, the Board initiated a Board rejuvenation process through the Corporate Governance and Nominating Committee, including a search to identify individuals with the qualifications, skills and experience to meet the attributes the Board was seeking. In 2020, the Corporate Governance and Nominating Committee recommended an increase in the number of Directors from nine to ten, and each of Robin Bienenstock, Rick Howes and Roy Slack were recommended to the Board as independent Director nominees and were elected to the Board at the annual shareholder meeting in June 2020. As mentioned above Ms. Kuzenko was elected to the Board and succeeded Mr. Stanford as President and CEO, Mr. Stanford was re-elected and appointed Executive Chair, and Mr. Howes was appointed Lead Director.

The Board rejuvenation process continued with the support of an external professional search firm engaged by the Corporate Governance and Nominating Committee to assist with the process. The process included consideration of the business strategy of the Company; the qualifications, skills and experience of the current Directors; the existence of any gaps in the required attributes of the current Board; the need to replace the attributes of the Directors expected to depart this year and next year; and the qualifications, skills and experience required of new Directors to meet near term and future needs of the Company.

The Board rejuvenation process emphasizes merit, as well as, filling required roles on the Board, and diversity considerations. The Board rejuvenation process identified the following areas of expertise to supplement the attributes of the current Directors and replace those of Directors expected to depart from the Board this year and next year; financial/audit, ESG, governance, legal/regulatory and mineral geology.

The following are the proposed nominees for election at the Meeting with the requisite attributes to address the areas noted above.

### *Financial/Audit:*

Tony Giardini – Mr. Giardini is the President and Chief Executive Officer of Trilogy Metals Inc. He is a Chartered Professional Accountant and Certified Public Accountant, with almost 30 years' experience in financial management and senior roles within the mining industry.

### *ESG*

Jennifer Hooper – Ms. Hooper is CEO of the Academy for Sustainable Innovation (“**ASI**”), a not-for-profit organization whose mission is to promote and deliver new educational pathways to accelerate Canada's transition to a low carbon socially-inclusive economy. Ms. Hooper has almost 30 years' experience in safety, health, environment and sustainability. Prior to joining ASI, Ms. Hooper served in senior leadership positions at Vale Canada and Vale S.A.

### *Governance/Legal/Regulatory*

Jay Kellerman – Mr. Kellerman is a partner with Stikeman Elliott LLP and Head of the Mining Group, a member of the Mergers & Acquisitions and Capital Markets Groups, and served as the Managing Partner of Stikeman Elliott's Toronto office from 2012 to 2018. With more than 30 years of experience, Mr. Kellerman is widely recognized by market sources as a leading practitioner in his field.

### *Mineral Geology*

Rosie Moore - Ms. Moore is an exploration geologist and analyst whose 30-plus year career in mining and metals began as a site exploration geologist on projects in Nevada, Yukon, Peru and Labrador, before taking on corporate management and investment roles within the mining industry.

The Board has determined that the qualifications and experience and institutional knowledge of the Company of Mr. Davis remains valuable to the Board. In particular, the Board believes that an additional year of overlap of Mr. Davis with the new Directors elected in 2020 and new Director nominees for 2021, is important for continuity purposes over the coming year. It is also expected that the one-year overlap will be sufficient and Mr. Davis will not be standing for re-election at the annual meeting of shareholders in 2022.

## **10.8 Diversity Policy**

The Company believes that decision-making is enhanced through diversity in the broadest sense and it has adopted a diversity policy to reflect this principle. In the context of an effective Board, diversity includes expression of thought, business experience, skill sets and capabilities. Diversity also includes valuing an individual's race, colour, gender, age, religious belief, ethnicity, cultural background, economic circumstance, human capacity, as well as other factors. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in the creation of shareholder value. The Board has determined that merit is the key requirement for Board appointment and employee advancement. In identifying suitable candidates for appointment to the Board or in selecting and assessing candidates for executive positions, candidates will be considered on merit against objective criteria regarding experience, education, expertise and general and sector specific knowledge and with due regard for the benefit of diversity.

Currently, the Board consists of ten members, three (30%) of whom are woman. This is 17% higher than the average among TSX-listed mining companies and 8.5% higher than the average among all TSX-listed

companies that provided public disclosure by mid-2020<sup>[1]</sup>. If the Director nominees are elected at the Meeting, the Board will consist of nine members, four (44%) of whom will be women.

The Company has ten executives, four (40%) of whom are women, Jody Kuzenko, the Chief Executive Officer, Anne Stephen, Vice President, Human Resources and Organization Effectiveness, Angie Robson, Vice President, Corporate Affairs and Social Responsibility, and Mary Batoff, General Counsel and Corporate Secretary. This is 26% higher than the average female composition of the executive management teams among TSX-listed mining companies that provided public disclosure by mid-2020<sup>1</sup>.

The Company's inclusive approach was recognized in 2021 by the Globe and Mail Report on Business as a "Women Lead Here" honouree, for the second year in a row, for the high proportion of women on the Board and executive team.

### 10.9 Executive Succession Planning

The operational efficiency and future growth of the Company depends on, among other things, having executive roles performed by individuals who have the required capability to fulfill the Company's business strategy and to continuously improve the productivity of the operations.

Two main principles are the foundation of the design of the succession plan: (i) determine the requisite cognitive ability to master the complexity of the work for the level of each role; and (ii) determine the capabilities, education, skills, experience, and other necessary attributes for the individual to be effective in the role. Internal successors are preferred for continuity, including their understanding of the Company's culture, systems, history and relationships.

In October 2019, the Company announced certain organizational changes that would take effect following the annual shareholder meeting in June 2020. As contemplated in the announcement, Mr. Stanford and Ms. Kuzenko were nominated for re-election and election, respectively, to the Board and following their election, Mr. Stanford stepped down as President and CEO and became the Executive Chair of the Board and Ms. Kuzenko was appointed President and CEO. There have been other transitional changes to the executive team, including: Barry Murphy, Vice President, Engineering joined the Company in October 2019 to replace a retired executive; the addition of three new vice president roles in late 2019 and in 2020, Jon Gilligan, Vice President, Automated Mine Design, Angie Robson, Vice President, Corporate Affairs and Social Responsibility and Faysal Rodriguez, Vice President, Mexico; and Andrew Snowden joined the Company as Chief Financial Officer in January 2021. As a result of these changes, succession plans are being updated or developed, as applicable, for each of these roles.

### 10.10 Strategic Planning

The Board oversees the development and implementation of the strategic plan of the Company. The Executive Chair provides strategic leadership to the President and CEO who leads the process of the development of the strategic plan and implements the Board approved plan. Longer term directions are discussed at each quarterly Board meeting, and annually, a meeting is dedicated to the analysis of the business context, and strategic adjustments are made as deemed appropriate by the Board. The Board's role includes a short-term review of the strategy implementation progress through the oversight and approval of the annual budget. External third-party experts are engaged from time to time as deemed appropriate by management or the Board to provide input throughout the process of strategic considerations. In 2020, the Board strategy meeting was held virtually and the strategic plan was approved in conjunction with the approval of the annual budget.

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<sup>[1]</sup> Osler, 2020 Diversity Disclosure Practices: Diversity and Leadership at Canadian Public Companies

### 10.11 Oversight of Risks and Opportunities

The Board is responsible for ensuring that procedures are in place to appropriately manage the principal business risks of the Company and reviewing with the executive team the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these factors on the strategic direction of the Company.

The Board fulfills its responsibilities, in part, through its committees, each of which has responsibility for identification, assessment and management of risks and opportunities in areas they oversee. Each committee reports on its activities quarterly to the Board.

- Audit Committee – oversight of financial risks and opportunities including those associated with tax, hedging, insurance, accounting, cybersecurity, information services and systems, financial controls and management reporting
- Corporate Governance and Nominating Committee – oversight of effective policies and systems to mitigate the risks associated with governance compliance and public disclosure obligations
- Compensation Committee – oversight of compensation-related risks including designing programs that do not promote unnecessary or excessive risk-taking
- Safety and Corporate Social Responsibility Committee – oversight of ESG risks and opportunities including those associated with maintaining a healthy and safe work-place and to environmentally sound and responsible resource development, good community relations, and the protection of human rights
- Technical Committee – oversight of technical risks and opportunities including those associated with new major exploration, development, operating, or new business activity, mineral reserve and resources estimation and disclosure, and proposed projects.

In addition, the Company has an overarching enterprise risk management framework (the “ERM”). The ERM is formulated through a process of risk identification, analysis and evaluation taking into consideration likelihood and impact, the ability to mitigate, and where mitigation is possible, determination and selection of mitigation measures, followed by an evaluation of the residual risk.

Annually in connection with the budget, management reports to the Board on the key risks and opportunities for the business, the mitigation measures to manage such risks, and the allocation of financial resources in respect of such risks and opportunities. Management reports periodically to the Board on the implementation and monitoring of the ERM.

### 10.12 Shareholder Feedback

The Board oversees a communications policy for the Company to facilitate communications with investors and other interested parties. The investor relations program is under the direction of Ms. Kuzenko as President and CEO. The program includes responding to questions from or meeting with shareholders or potential investors, analysts and investment fund managers, and giving presentations at investor conferences and company organized events, providing briefing sessions for analysts, investment fund managers, members of the press and the public to discuss reported financial results and other announcements by the Company, social media posts, and site visits when circumstances permit. Shareholders, other stakeholders and the public are informed of developments in the Company by the

issuance of news releases and publications by the Company. The Board receives regular reports on the investor relations program and investor feedback from management.

In addition, in 2020, the Company engaged a third-party consultant to conduct an in-depth investor perception study based on surveys and interviews of current and former investors to obtain feedback on, among other topics, overall sentiment of investment decision factors, investor relations program effectiveness, and risks and opportunities. To ensure both candid responses and unbiased research, feedback from respondents was not tied to respondents directly. The third-party consultant presented the results of the study to the Board.

In 2020, the Lead Director, who also serves as Chair of the Compensation Committee, and the Chair of the Corporate Governance Committee met with representatives of a Canadian corporate governance organization representing institutional shareholders that invest in Canadian public equities to discuss the Company's governance and compensation practices. The Board also plans to initiate a shareholder outreach program in 2021 with institutional shareholders to receive feedback on matters of interest to such shareholders.

Shareholders may also communicate directly with our independent Directors by writing to the Chair of the Board or a Committee chair through the General Counsel and Corporate Secretary: Torex Gold Resources Inc., Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario, M5A 2X2, Attention: General Counsel and Corporate Secretary, email: [Mary.Batoff@torexgold.com](mailto:Mary.Batoff@torexgold.com).

### 10.13 Orientation and Continuing Education

New members of the Board are provided with:

- information respecting the functioning of the Board and its Committees and a copy of the Company's corporate governance policies, codes and mandates;
- access to recent, publicly filed documents of the Company; and
- information sessions about the Company in the areas of operations, finance, technical and people systems.

Board members are encouraged to communicate with management and auditors; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. The Company will pay for any director who wishes to become accredited by the ICD as a certified director. Fred Stanford, Michael Murphy, Frank Davis and Elizabeth Wademan are each accredited by the ICD as a certified director. The Directors receive information and updates on developments in International Financial Reporting Standards, current market trends in compensation and corporate governance best practices, and relevant changes in the law. During site visits, Board members attend corporate presentations. See "Section 10.14 - Site Visits". Board members also have full access to the Company's records.

### 10.14 Site Visits

The Directors did not visit the Morelos gold property (the "**Morelos Gold Property**") in 2020 due to the COVID-19 pandemic. Site visits will be resumed when circumstances permit. Site visits typically include an aerial tour of the site and surrounding area, and a tour of the mine site, including the filtered tailings storage facility (the "**FTSF**"), the underground operations and the test area for the Muckahi mining system

and presentations on health and safety, the FTSF, progress of operations, cost management, corporate responsibility projects, and development and exploration projects.

### 10.15 Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the “Code”) for its Directors, executives and other employees. A copy of the Code is available for review under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), on the Company’s website at [www.torexgold.com](http://www.torexgold.com) or may be obtained by request to the General Counsel and Corporate Secretary of the Company at the Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2.

The Audit Committee is responsible for monitoring compliance with the Code. In accordance with the Code, Directors, senior officers and other employees should raise questions regarding the application of any requirement under the Code, and report a possible violation of a law, or the Code, promptly to their supervisor. If reporting a concern or complaint to a supervisor is not possible or advisable, or if reporting it to a supervisor does not resolve the matter, the matter should be addressed with the Chief Financial Officer, the General Counsel, or the Company’s whistleblower hotline provided through ClearView Connects™. The Audit Committee monitors compliance of the Code by obtaining reports from the Chief Financial Officer, the General Counsel, and ClearView Connects™ as to any matters reported under the Code.

The Board takes steps to ensure that Directors, executives and other employees exercise independent judgment in considering transactions and agreements in respect of which a Director, executives or other employee of the Company has a material interest, which include ensuring that Directors, executives and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their supervisor or the Chief Financial Officer or the General Counsel regarding any potential conflicts of interest. All executives, senior management and staff employees of the Company have acknowledged that they have read the Code.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations and professional rules; providing guidance to Directors, executives and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

### 10.16 Board Mandate

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company and to act in the best interests of the Company. In discharging its mandate, the Board is primarily responsible for the oversight and review of the development of, among other things, the following matters:

- succession planning, including appointing, training and monitoring senior management;
- annually considering the additional skills and competencies that would be helpful to the Board;
- if the Chair of the Board is not independent, appointing a Lead Director;
- reviewing the financial and operational performance of the Company;
- the strategic planning process of the Company;

- the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- a communications policy for the Company to facilitate communications with investors and other interested parties; and
- the integrity of the Company's internal control and management information systems.

The Board may at any time retain outside financial, legal or other advisors at the expense of the Company and any Director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Company.

The Board also has the mandate to assess the effectiveness of the Board as a whole, its committees and the contribution of individual Directors. The Board, Committee and Director Review Process is conducted annually (see "Section 10.17 - Assessments").

The Board discharges its responsibilities directly and through its standing committees, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Safety and Corporate Social Responsibility Committee and the Technical Committee. Other committees may be appointed from time to time to carryout mandates as approved by the Board.

A copy of the Mandate of the Board setting out the Board's mandate and responsibilities and the duties of its members is attached as Schedule A to the Circular. A copy of the Mandate of the Board and the mandates of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Safety and Corporate Social Responsibility Committee and the Technical Committee are available on the Company's website at [www.torexgold.com](http://www.torexgold.com).

#### **10.17 Assessments**

The Board is responsible for monitoring and assessing its function and effectiveness, composition, operation, and the performance of individual Directors. Each committee of the Board and the Board regularly monitors compliance with its respective mandate. The Corporate Governance and Nominating Committee, in accordance with its mandate, reviewed the compliance record for 2020 maintained by each committee and the Board to confirm each committee and the Board were fulfilling their respective mandates.

The Board has a Board, Committee and Director Review Process. The review provides each Director with an opportunity to evaluate the performance of the Board and the committees, and to make suggestions for improvements, if applicable. The review also provides each Director an opportunity to comment on the effectiveness and contribution of individual Directors and the leadership of the Chair and Lead Director, if any. Each Director completes a questionnaire, on a confidential basis, which is submitted to the Chair of the Board who tabulates the results, and reports such results to the Corporate Governance and Nominating Committee and the Board, and discusses the individual evaluation with the respective Director. This assessment is conducted on an annual basis.

#### **10.18 Director Term Limits and Retirement**

The Company has not instituted director term limits. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a Director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company regularly monitors Director performance through annual assessments

and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent Directors in attendance, as well as through continuing education initiatives.

On a regular basis, the Company analyzes the skills and experience necessary for the Board and evaluates the need for Director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

The Board has a retirement policy whereby non-executive Directors may not stand for re-election to the Board at the next annual meeting of shareholders after they turn 75 years of age and executive Directors must submit their resignation as a Director to the Board upon the termination of their employment with the Company. The Board may, however, extend a Director's term upon the recommendation of the Corporate Governance and Nominating Committee, if the Corporate Governance and Nominating Committee believes that it is appropriate and in the Company's best interest to do so.

### 10.19 Loans to Directors

The Company does not make personal loans or extend credit to its Directors or executives. There are no loans outstanding from the Company to any of its Directors or executives.

### 10.20 Board Committees

The current membership of the standing Committees of the Board is set out below:

Board Committee	Committee Members	Status
Audit	Andrew Adams (Chair) Frank Davis Elizabeth Wademan	Independent Independent Independent
Compensation	Rick Howes (Chair) Andrew Adams Elizabeth Wademan	Independent Independent Independent
Corporate Governance and Nominating	Frank Davis (Chair) Robin Bienenstock David Fennell	Independent Independent Independent
Safety and Corporate Social Responsibility	Robin Bienenstock (Chair) Michael Murphy Roy Slack	Independent Independent Independent
Technical	Roy Slack (Chair) David Fennell Rick Howes Fred Stanford	Independent Independent Independent Not Independent

### Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company. The external auditors of the Company report directly to the Audit Committee and meet *in camera* with the auditors at the end of each quarterly meeting.

The Audit Committee is comprised of Andrew Adams (Chair), Frank Davis and Elizabeth Wademan, each of whom is an independent Director of the Board and "financially literate" within the meaning of NI 52-110. Canadian securities laws do not include a definition of "financial expert", however an issuer may voluntarily appoint a financial expert to their audit committee and publicly disclose this fact in order to conform with

best practices. The published guidance of the Toronto Stock Exchange describes a financial expert as someone who has a professional qualification such as a CA or CMA. Taking into consideration Mr. Adams' professional designation and extensive international financial experience, the Board has determined that Mr. Adams is an audit committee financial expert.

Further information regarding the Company's Audit Committee is contained in the Company's current annual information form, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the annual information form as Schedule B. The Company's annual information form is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Key activities of the Audit Committee in 2020 include:

- Financial Reporting and Internal Controls
  - Reviewed the audited annual consolidated financial statements and the related management's discussion and analysis ("MD&A"), and news releases, and made recommendations to the Board for approval
  - Reviewed and approved the quarterly consolidated financial statements and related MD&A and news releases
  - Reviewed quarterly key accounting matters, judgements and estimates
  - Received and discussed a report from CEO and CFO on the adequacy and effectiveness of internal controls over financial reporting and disclosure controls and procedures
- Independent Auditor
  - Received and discussed KPMG's 2020 audit plan and approved the services and made a recommendation to the Board to approve the fee thresholds
  - Received a report on and discussed with KPMG the results of the annual audit and quarterly reviews
  - Reviewed the performance and fees of KPMG and recommended to the Board the re-appointment of KPMG
- Financial Risk Management
  - Received quarterly reports on treasury matters, IT systems and cyber security, financial related risk management
  - Reviewed and made recommendations to the Board on amendments to the Company's hedging and monetary authority policies

### Compensation Committee

The Compensation Committee is appointed by the Board to assist in setting Director and executive compensation and to develop and submit to the Board recommendations with respect to such other employee benefits as considered advisable. The Compensation Committee is guided by the following principles: to offer competitive compensation to attract, retain and motivate qualified executives in order for the Company to achieve the strategic plan and budget approved by the Board from time to time; and to act in the best interests of the Company by being financially responsible.

The Compensation Committee is comprised of Rick Howes (Chair), Andrew Adams and Elizabeth Wademan, each of whom is an independent Director of the Board. Prior to the Company's shareholder meeting in June 2020, Elizabeth Wademan served as Chair, and Michael Murphy and James Crombie served as members of the Compensation Committee. The Compensation Committee held 11 meetings in 2020, and there was full attendance at each meeting.

Each member of the Compensation Committee has experience relevant to their responsibilities as a Compensation Committee member.

Member	Education	Experience
Rick Howes	Bachelor of Applied Science with Honours in Mining Engineering, Queen's University, Kingston, Ontario	See Mr. Howes' Director Profile. Mr. Howes retired as President and Chief Executive Officer of Dundee Precious Metals Inc. in May 2020. He joined Dundee Precious Metals in 2009 and held senior positions until his appointment as President and Chief Executive Officer in April 2013. Mr. Howes also serves as a non-executive director of Hudbay Minerals Inc., of which he is a member of the compensation and human resources committee.
Andrew Adams	Bachelor of Social Science (Accounting and Statistics) from Southampton University and a qualified Chartered Accountant in the United Kingdom	Mr. Adams serves as an independent, non-executive director of First Quantum Mineral Ltd. where is he also the chair of the compensation committee. Previously, he served as the independent Chairman of TMAC Resources Inc. and as chair of the compensation committee. He also previously served as chief financial officer in each of AngloGold North America and Aber Diamond Corporation.
Elizabeth Wademan	Bachelor of Commerce in Finance and International Business from McGill University Chartered Financial Analyst (CFA) Certified director, ICD.D	See Ms. Wademan's Director Profile. Ms. Wademan served as Chair of the Compensation Committee from June 2018 to June 2020 and has served as a member since June 2018. She currently serves as a member of the compensation committee of SSR Mining Inc. and as chair of the compensation, governance and nominating committee of the BSR Real Estate Investment Trust.

Key activities of the Compensation Committee in 2020 include:

- Governance
  - Reviewed risks associated with the Company's compensation policies and programs
  - Considered and made recommendations to the Board for amendments to the Share Ownership Policy to extend the requirements to all executives and set robust targets for the Directors, C-Suite and other executives
  - Kept apprised on recent developments and emerging trends in executive compensation including potential impact of COVID-19 on compensation matters, and linking ESG performance to compensation programs (including a review of market practices with respect to ESG incentive plan metrics)
  - Reviewed and approved for recommendation to the Board the Statement of Executive and Director Compensation in the 2020 management information circular

- Short Term Objective Setting, Monitoring and Payouts
  - Reviewed the 2019 corporate and individual performance against objectives for the short-term incentive plan (“STIP”) and made recommendations to the Board for approval of payouts of the STIP to executives
  - Reviewed and made recommendations to the Board on the 2020 STIP objectives
  - Received regular reports over the year on progress towards achieving the 2020 STIP objectives
  - Received for discussion, the initial proposals for 2021 STIP objectives
- Long Term Incentive Plan Monitoring and Payouts
  - Reviewed the companies included in the performance peer group and the compensation benchmarking peer group and made changes resulting from industry acquisitions/consolidation
  - Monitored the status of current awards under the Employee Share Unit Plan for the 2018-2020 and 2019-2021 grant term/performance periods
  - Reviewed and made recommendations to the Board on the awards under the Employee Share Unit Plan for the 2020 – 2022 grant term/performance period
  - Reviewed the outcome of the 2017 – 2018 performance share units (the “2018 PSUs”) under the Company’s Employee Share Unit Plan and recommended to the Board for approval payouts at 69% of the 2018 PSUs granted
- Executive Compensation Changes
  - Reviewed and made recommendations to the Board on compensation changes for the executive team as part of the annual review process
  - Reviewed and made recommendations to the Board on compensation for the transition of Jody Kuzenko from COO to CEO and compensation for new members to the executive team
- Shareholder Feedback
  - Considered feedback on the Company’s compensation practices from investors and a Canadian corporate governance organization representing of institutional shareholders that invest in Canadian public equities

See also “Section 12 - Statement Of Executive And Director Compensation”.

### Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee (“**CGN Committee**”) is appointed by the Board to promote a culture of integrity throughout the Company, to assist the Company in identifying and recommending new nominees for election to the Board and to assist the Company and the Board in fulfilling their respective corporate governance responsibilities under applicable securities laws.

The CGN Committee is comprised entirely of independent Directors. Frank Davis (Chair), Robin Bienenstock and David Fennell are the current members of the Corporate Governance and Nominating Committee. Andrew Adams served as a member of the CGN Committee until the Company’s shareholder meeting in June 2020 when Robin Bienenstock was appointed to the CGN Committee. The CGN Committee held seven meetings in 2020, and there was full attendance at each meeting.

Key activities of the CGN Committee in 2020 include:

- Succession
  - As part of the Board rejuvenation process, recommended four new nominees for election to the Board, Rick Howes, Jody Kuzenko, Robin Bienenstock and Roy Slack

- Continued with the Board rejuvenation process and recommended four new nominees for election to the Board at the Meeting
- Board, Committee and Director Assessments
  - Received a report from the Board Chair on the results of the assessment of effectiveness of the Board, Committees and individual Directors
  - Reviewed the effectiveness of the Board and the Committees in fulfilling their respective mandates
  - Considered standing Committees of the Board and the composition of the Committees and made recommendations to the Board on changes to address the needs of the Board and to improve effectiveness
  - Proposed a position description for the Executive Chair and reviewed and made recommendations to the Board on changes to the positions for the Lead Director and CEO
- Disclosure
  - Reviewed and approved for recommendation to the Board the disclosure of governance practices of the Company in the 2020 management information circular
- Legal and Regulatory
  - Recommended enhancements to the corporate by-laws of the Company to the benefit of shareholders, each of which was approved by the Board and ratified by shareholders at the 2020 shareholder meeting
  - Recommended reconfirmation and enhancements to the shareholder rights plan to protect the interests of shareholders and reflect the current Canadian best corporate practices and institutional investor guidelines, which was approved by the Board and ratified by shareholders at the 2020 shareholder meeting
- Shareholder Feedback
  - Considered feedback on the Company's governance practices received from investors and a Canadian corporate governance organization representing of institutional shareholders that invest in Canadian public equities

### Safety and Corporate Social Responsibility Committee

The Safety and Corporate Social Responsibility Committee (the “**Safety & CSR Committee**”) is appointed by the Board to assist the Company and the Board in the furtherance of the Company's commitments to maintaining a healthy and safe work-place and to environmentally sound and responsible resource development, good community relations, and the protection of human rights. In connection with the Board rejuvenation process in 2020, the Board combined the Environment and Corporate Social Responsibility Committee with the Health and Safety Committee into the Safety and CSR Committee. The mandate of the Safety and CSR Committee combined the mandates of the two predecessor committees, and was supplemented with additional responsibilities of: assisting with the development and review of annual strategic ESG plans, including the development of short, medium, and long-term ESG targets; reviewing the ESG performance of the Company, including in relation to public commitments, goals, and targets; and considering and recommending improvements to ESG-related policies and practices of the Company.

The Safety & CSR Committee is comprised of Robin Bienenstock (Chair), Michael Murphy and Roy Slack, each of whom is an independent Director of the Board. The Safety & CSR Committee held two meetings in 2020, and there was full attendance at each meeting.

The Environment and Corporate Social Responsibility Committee was comprised of Michael Murphy (Chair), David Fennell and William M. Shaver. The Health and Safety Committee was comprised of Messrs. Shaver (Chair), Crombie and MacGibbon, each an independent Director at the time. The Environment and Corporate Social Responsibility Committee and the Health and Safety Committee each held two meetings in 2020, and there was full attendance at each meeting.

Key activities of the Safety & CSR Committee, and the predecessor committees, in 2020 include:

- Operations
  - Reviewed quarterly reports regarding health and safety and environment matters
  - Reviewed and discussed the COVID-19 pandemic response, ongoing mitigation programs for the operations and COVID-19 support for the local communities
- Risk Management
  - Reviewed and discussed inspection/audit reports on the FTSF and water quality management
  - Reviewed and discussed risk identification, monitoring and mitigation activities
- Legal and Regulatory
  - Monitored compliance with permits and health, safety and environmental laws and regulations
  - Monitored changes in health, safety and environmental laws and regulations
  - Monitored progress in obtaining/renewing permits
- Sustainability Management Framework
  - Reviewed and approved management's proposed adoption of the WGC's Responsible Gold Mining Principles
  - Monitored development of plan for achieving compliance with the International Cyanide Management Code
- Climate Change/Carbon Reduction
  - Reviewed and recommended approval of an 8.5 MW solar power plant project to the Board
- Community
  - Monitored renewal of community development agreements and fulfilling commitments
- Disclosure
  - Reviewed and approved the Company's 2019 Responsible Gold Mining Report which was prepared in alignment with GRI Standards and SASB Standards

### Technical Committee

The Technical Committee was established in June 2020 by the Board to provide a forum for the review and discussion of policies, processes and activities of the Company of a technical nature to assist the Board in fulfilling its oversight responsibilities from a strategic, technical risk, and governance perspective.

The Technical Committee is comprised of three independent Directors, Roy Slack (Chair), David Fennell, Rick Howes, and one non-independent Director, Fred Stanford. The Technical Committee held four informal meetings for onboarding and planning purposes and one formal meeting in 2020, and there was full attendance at each meeting.

Key activities of the Technical Committee in 2020 include:

- Technical
  - Reviewed and discussed reports on the feasibility study of the Media Luna project, the Muckahi mining system test program, and the infill drilling program of Media Luna
- Strategic
  - Reviewed and discussed with management the potential ELG layback and strategic life-of-mine planning
- Governance
  - Reviewed and recommended to the Board the approval of the Technical Committee mandate
  - Reviewed and approved the workplan for 2020/21

## 11. INFORMATION ABOUT DIRECTOR NOMINEES

### 11.1 Director Profiles

The following profiles set forth information about each Director nominee. Each nominee has also been involved in the mining or natural resources sector as part of management, a director or an advisor, and has skills and experience that are important in fulfilling a Director's responsibilities as a member of the Board. For more information on Share Ownership Guidelines see page 46.



#### **Richard (Rick) A. Howes** – Lead Director

**Independent:** Yes

**Age:** 63

**Location:** Toronto,  
Ontario, Canada

**Director since:**  
June 17, 2020

**2020 election results:**  
99.72% Votes For

#### **Qualifications**

Bachelor of Applied Science with Honours in Mining Engineering, Queen's University, Kingston, Ontario

Member of the Institute of Corporate Directors

Rick Howes serves as Lead Director having been appointed to the role following his election to the Board in June 2020. He retired as President and Chief Executive Officer of Dundee Precious Metals Inc. in May 2020 having served in the role since April 2013. He is a seasoned senior mining executive with over 39 years of experience in the mining industry. He is a visionary leader in mining, organizational innovation and transformation to create competitive advantage and was recognized as the Outstanding Innovator of 2016 by the International Mining Technology Hall of Fame. Throughout his career, Mr. Howes has been closely associated with the practices that make for world-class mining operations, including Inco's North Mine which won the 2006 Ryan Award as the safest mine in Canada.

His extensive industry experience includes progressive technical, operating, management and project roles in many of the largest underground mines and mining companies throughout Canada and internationally. Mr. Howes joined Dundee Precious Metals in early 2009. He was General Manager and Executive Director of the Chelopech mine until November 2010 when he was appointed Executive Vice President and Chief Operating Officer and he served in that role until April 2013, when he was appointed President and Chief Executive Officer. Mr. Howes also serves as a non-executive director of Hudbay Minerals Inc., of which he is a member of the compensation and human resources committee and a member of the technical committee.

Key Areas of Expertise/Experience				
Board	Governance	Senior Management	Mining Operations	
Mine Development and Construction	Mineral Geology	Financial/Audit	Sustainability	
Communications/IR	Compensation/HR	IT/Cyber/Digital		
2020 Board/Committee Membership	2020 Attendance		Other Public Board Memberships and Interlocks	
Board of Directors	5 of 5	100%	Hudbay Minerals Inc. No Interlocks	
Compensation Committee (Chair)	4 of 4	100%		
Technical Committee	1 of 1	100%		
Common Shares Held (#) <sup>(3)</sup>	50% of Share Units Held (#) <sup>(3)</sup>	Value at Market Price May 18, 2021 <sup>(4)</sup>	Value Per Company Policy May 18, 2021 <sup>(5)</sup>	Share Ownership Guidelines Met?
Nil	6,616	115,242	115,681	N/A

Note: Mr. Howes was appointed chair of the Compensation Committee and as a member of the Technical Committee following his election to the Board on June 17, 2020.



**Jody L.M. Kuzenko** – President and Chief Executive Officer

**Independent:** No

**Age:** 51

**Location:** Sudbury, Ontario, Canada

**Director since:** June 17, 2020

**2020 election results:** 99.71% Votes For

**Qualifications**

Bachelor of Laws from the University of Western Ontario, London, Ontario and an Honours Bachelor of Arts from McMaster University, Hamilton, Ontario

Jody Kuzenko serves as President and Chief Executive Officer having been appointed to the position in June 2020. She joined the Company as Chief Operating Officer in October 2018. She is a mining executive with over 20 years of operational and business experience, mainly acquired at Vale Canada Limited (formerly Vale Inco and Inco Limited). She has a proven record of execution and leadership in the areas of base metals refining, sustainability, energy, safety, health and environmental protection, transport functions, oxygen and acid plants, maintenance shops, and community, labour and government relations.

Ms. Kuzenko joined Vale as Chief Legal Officer in 2004 and in 2009 moved to the operational side of the business where she held roles of increasing responsibility in operations management until July 2018. Her most recent role with Vale was Director, Business Strategy, Ontario Operations of Vale. Ms. Kuzenko is also a founding Advisory Board member of the Centre for Research in Occupational Safety and Health at Laurentian University and a board member of the World Gold Council of which she is a member of the corporate governance and nominating committee.

**Key Areas of Expertise/Experience**

Board	Senior Management	Mining Operations	Financial/Audit
Sustainability	Legal/Regulatory	Communications/IR	Compensation/HR

2020 Board/Committee Membership	2020 Attendance		Other Public Board Memberships and Interlocks
Board of Directors	5 of 5	100%	None

Common Shares Held (#) <sup>(3)</sup>	50% of Share Units Held (#) <sup>(3)</sup>	Value at Market Price May 18, 2021 <sup>(4)</sup>	Value Per Company Policy May 18, 2021 <sup>(5)</sup>	Share Ownership Guidelines Met?
23,422	104,665	2,231,276	2,115,478	N/A



## Franklin (Frank) L. Davis

**Independent:** Yes

**Age:** 66

**Location:** Toronto,  
Ontario, Canada

**Director since:**  
November 26, 2009

**2020 election results:**  
81% Votes For

### Qualifications

Bachelor of Commerce, Master of Business Administration and Juris Doctor from the University of Toronto

Certified director, Institute of Corporate Directors

Frank Davis is a corporate director with over 35 years' experience as a lawyer, in Canadian securities and mining law, and as a director. He was counsel to the law firm Bennett Jones LLP between March 2013 and September 2019, and prior thereto, counsel to the law firm Fraser Milner Casgrain LLP ("FMC") from January 2011 to February 2013. Prior thereto, Mr. Davis was a partner of FMC, practicing principally in the areas of securities and capital markets, corporate finance, mergers and acquisitions, mining and corporate governance. Mr. Davis has represented various public companies and investment banking firms in public and private offerings of equity and debt securities.

He has acted as counsel to offerors, target companies and financial advisors in both hostile and negotiated merger and acquisition transactions and has been active in a variety of takeover bids, mergers, acquisitions, amalgamations, arrangements and divestitures.

Mr. Davis was recognized as a leader in his field by such authorities as The Best Lawyers in Canada, and listed in The Canadian Legal LEXPERT Directory, Who's Who Legal: Canada, The International Who's Who of Business Lawyers and Canadian Who's Who.

### Key Areas of Expertise/Experience

Board	Governance	Corporate Finance	Financial/Audit
Legal/Regulatory	Communications/IR	Compensation/HR	

2020 Board/Committee Membership	2020 Attendance		Other Public Board Memberships and Interlocks
Board of Directors	10 of 10	100%	None
Corporate Governance and Nominating Committee (Chair)	7 of 7	100%	
Audit Committee	4 of 4	100%	

Common Shares Held (#) <sup>(3)</sup>	50% of Share Units Held (#) <sup>(3)</sup>	Value at Market Price May 18, 2021 <sup>(4)</sup>	Value Per Company Policy May 18, 2021 <sup>(5)</sup>	Share Ownership Guidelines Met?
9,476	10,787	352,973	380,591	Yes



**Tony S. Giardini**

**Independent:** Yes

**Age:** 62

**Location:** Rome, Italy

**Director since:** NA –  
new nominee

**2020 election results:**  
NA

**Qualifications**

Chartered Professional Accountant (Ontario and British Columbia), Chartered Business Valuator (British Columbia), Certified Public Accountant (Illinois) Bachelor of Commerce, University of British Columbia, Vancouver, British Columbia

Mr. Giardini is the President and Chief Executive Officer of Trilogy Metals Inc. Mr. Giardini was President of Ivanhoe Mines Ltd. from May 2019 to March 2020 and was Executive Vice President and Chief Financial Officer of Kinross Gold Corporation from December 2012 to April 2019. He was Chief Financial Officer of Ivanhoe Mines Ltd. from May 2006 to April 2012. Prior to joining Ivanhoe Mines Ltd., He was Vice President and Treasurer of Place Dome Inc. from 2002 to 2006

Mr. Giardini is a Chartered Professional Accountant and a Certified Public Accountant and spent 12 years with accounting firm KPMG prior to joining Placer Dome Inc.

The Board has determined that Mr. Giardini is an audit committee financial expert based on his financial designations, education and extensive international financial experience in extractive industries.

Key Areas of Expertise/Experience			
Board	Governance	Senior Management	Mining Operations
Corporate Finance	Financial/Audit	Communications/IR	Compensation/HR
IT/Cyber/Digital			



**Jennifer J. Hooper**

**Independent:** Yes

**Age:** 56

**Location:** Toronto, Ontario

**Director since:** NA – new nominee

**2020 election results:** NA

**Qualifications**

Master of Science, Civil Engineering (Environmental) from Queens University, Kingston, Ontario, Bachelor of Science in Chemical Engineering from the University of Waterloo, Waterloo, Ontario

Jennifer Hooper is the CEO of the Academy for Sustainable Innovation (“**ASI**”), a not-for-profit organization whose mission is to promote and deliver new educational pathways to accelerate Canada’s transition to a low carbon socially-inclusive economy. Ms. Hooper has almost 30 years’ experience in safety, health, environment and sustainability. Prior to joining ASI, Ms. Hooper served in senior leadership positions at Vale Canada and Vale S.A. Her most recent role with Vale was as lead of the global health and safety function, focusing on fatality, injury and illness prevention and employee and community health.

Prior to this, Ms. Hooper held senior leadership positions in safety, health, environment and sustainability at Vale, as VP Sustainability Global Base Metals; VP Sustainability and Human Resources; VP Sustainability, Nickel Business; and as Director, Regulatory Affairs. Previous roles include E.I DuPont, and director positions in the Ontario Government, in the Ministry of Labour and Ministry of Environment.

Key Areas of Expertise/Experience			
Senior Management	Sustainability	Legal/Regulatory	Communications/IR
Compensation/HR			



**Jay C. Kellerman**

**Independent:** Yes

**Age:** 57

**Location:** Toronto, Ontario

**Director since:** NA – new nominee

**2020 election results:** NA

**Qualifications**

Bachelor of Laws from the University of Windsor, Windsor, Ontario

Jay Kellerman is a partner with Stikeman Elliott LLP and Head of the Mining Group, member of the Mergers & Acquisitions and Capital Markets Groups, and served as the Managing Partner of Stikeman Elliott’s Toronto office from 2012 to 2018. Mr. Kellerman practices principally in the areas of corporate finance and securities law, significantly in the resource sector. With more than 30 years’ experience, his clients include public companies, investment banks, investors, boards of directors and special committees. He also is highly regarded for advising on strategic direction and growth, in addition to his transactional services.

Mr. Kellerman is recognized as a leader in his field by such authorities as Who’s Who Legal, as a Noble Practitioner Capital Markets: Equity, and M&A by International Financial Law Review’s IFLR1000: The Guide to the World’s Leading Financial Law Firms 2020, and as a leading lawyer in Corporate Finance and Securities, Corporate Commercial, M&A, and Mining by The Canadian Legal Lexpert Directory 2020.

Key Areas of Expertise/Experience			
Board	Governance	Senior Management	Corporate Finance
Financial/Audit	Legal/Regulatory	Communications/IR	Compensation/HR



**Rosalie (Rosie) C. Moore**

**Independent:** Yes

**Age:** 62

**Location:** Park City, Utah, U.S.A.

**Director since:** NA – new nominee

**2020 election results:** NA

**Qualifications**

Bachelor of Science and Master of Science degrees in Geology from Kent State University in Ohio

Rosie Moore is an exploration geologist and analyst whose 30 plus-year career in mining and metals began as a site exploration geologist on projects in Nevada, Yukon, Peru and Labrador, before taking on corporate management and analyst roles at Diamond Fields Resources Inc., Yorkton Securities, Pan American Silver Corp. and Bear Creek Mining Corporation. She then transitioned into an investment and capital markets focus as a partner/analyst with Geological Resource Funds, a Boston-based, mining-focused, globally invested equity hedge fund.

Ms. Moore serves as a director of Trifecta Gold Ltd. and Evergold Corp. Ms. Moore was formerly a director of Continental Gold Ltd. and was CEO and a director of Geoinformatics Exploration Inc., managing its take-over of Rimfire Minerals Corporation to yield Kiska Metals Corporation. She also served as a director (2013 to 2016) and as interim CEO and President of Dolly Varden Silver Corp from 2015 to 2016.

Key Areas of Expertise/Experience			
Board	Governance	Senior Management	Mining Operations
Mineral Geology	Corporate Finance	Financial/Audit	Communications/HR



## Roy S. Slack

**Independent:** Yes

**Age:** 62

**Location:** North Bay, Ontario, Canada

**Director since:** June 17, 2020

**2020 election results:** 99.73% Votes For

### Qualifications

Professional Engineer (Ontario), Bachelor of Science, Mining Engineering from Queen's University in Kingston, Ontario

Mr. Slack has extensive experience acquired over a career of 38 years in mine design and mine construction throughout North America and overseas. He is the founder and a board member of Cementation Americas and served as president from inception in 1998 to 2018. Cementation Americas was acquired by Murray & Roberts in 2004 and Mr. Slack was responsible for their mining operations in North and South America as well as Europe. He also served as a board member of Cementation Sudamérica (Chile) and Murray & Roberts UK. Cementation, part of the Murray & Roberts worldwide mine service group, established to provide mine contracting and consulting services to the North and South American market, as well as services for North American companies carrying out work overseas. In 2019 the company was recognized as the Gold Winner safest employer in Canada in the Natural Resources Sector. Mr. Slack also currently serves on the board of NORCAT. Mr. Slack also served as President of the Canadian Institute of Mining, Metallurgy & Petroleum ("CIM"), the leading technical industry institute in Canada, for the 2019/2020 term ending May 3, 2020. He is also past chair of the CIM Governance Committee and the CIM Health and Safety Committee.

He has been active in numerous safety initiatives over the years including a past board member of the Ontario Mine Contractors Safety Association, the Mines Accident Safety & Health Association and of the Workplace Safety North Mining Advisory committee. In 2013 he was appointed to the Province of Ontario's first Prevention Council to advise the government on workplace safety, where he served for three years. In 2018 he was inducted into the Sudbury Area Mining Supply and Service Association Hall of Fame and in 2019 he was inducted as a Lifetime Member into the Ontario Mine Contractors Safety Association, only the 12th induction in the 70- year history of the organization.

In 2008 he was awarded the Engineer's Medal for Entrepreneurship by the Professional Engineers of Ontario and in 2009 he was given the Metal Mining Society Award by the CIM. In 2012 he was named a Paul Harris Fellow by Rotary International. In 2017 Nipissing University bestowed upon him an Honorary Doctorate. In April 2021, he was awarded a CIM fellowship.

### Key Areas of Expertise/Experience

Board	Governance	Senior Management	Mining Operations
Mine Development and Construction	Sustainability	Legal/Regulatory	Compensation/HR

2020 Board/Committee Membership	2020 Attendance		Other Public Board Memberships & Interlocks
Board of Directors	5 of 5	100%	None
Safety and Corporate Social Responsibility Committee	2 of 2	100%	
Technical Committee (Chair)	1 of 1	100%	

Common Shares Held (#) <sup>(3)</sup>	50% of Share Units Held (#) <sup>(3)</sup>	Value at Market Price May 18, 2021 <sup>(4)</sup>	Value Per Company Policy May 18, 2021 <sup>(5)</sup>	Share Ownership Guidelines Met?
0	1,453	25,311	24,992	N/A



### Elizabeth A. Wademan

**Independent:** Yes

**Age:** 45

**Location:** Toronto,  
Ontario, Canada

**Director since:**  
August 10, 2016

**2020 election results:**  
99.44% Votes For

#### Qualifications

Bachelor of Commerce in Finance and International Business from McGill University, Montreal, Quebec

CFA charterholder

Certified director, Institute of Corporate Directors

Elizabeth Wademan is a corporate director with over 23 years of financial services experience as a senior capital markets executive. Ms. Wademan most recently spent 18 years in investment banking at BMO Capital Markets where she was one of the firm's most senior capital markets professionals, responsible for leading capital markets advisory and complex transactions. She focused on the global metals and mining and technology sectors and was Head of Global Metals & Mining Equity Capital Markets prior to retiring in 2016. As a former Managing Director in Investment Banking, Ms. Wademan has extensive experience in capital markets and strategic advisory as well as a deep

expertise in commodities and securities markets.

She currently serves as an independent non-executive director of SSR Mining Inc. of which she is a member of the audit committee and a member of the compensation committee, and independent trustee of BSR Real Estate Investment Trust of which she is chair of the compensation, governance and nominating committee and member of the audit committee. She also serves as director and Campaign Cabinet Member of St. Joseph's Health Centre Foundation.

Key Areas of Expertise/Experience			
Board	Governance	Senior Management	Corporate Finance
Financial/Audit	Sustainability	Communications	Compensation/HR

2020 Board/Committee Membership	2020 Attendance		Other Public Board Memberships and Interlocks
Board of Directors	10 of 10	100%	BSR Real Estate Investment Trust SSR Mining Inc. No Interlocks
Audit Committee	4 of 4	100%	
Compensation Committee	11 of 11	100%	

Common Shares Held (#) <sup>(3)</sup>	50% of Share Units Held (#) <sup>(3)</sup>	Value at Market Price May 18, 2021 <sup>(4)</sup>	Value Per Company Policy May 18, 2021 <sup>(5)</sup>	Share Ownership Guidelines Met?
5,527	12,556	315,006	315,000	Yes

**Notes:**

(1) For additional compensation information, see "Section 12 - Statement of Executive and Director Compensation".

(2) "Independent" refers to the standards of independence under National Instrument 52-110 – *Audit Committees*.

(3) "Common Shares Held" refers to the number of Common Shares beneficially owned, controlled or directed (directly or indirectly) by the Director as at May 18, 2021. The number of Common Shares held by each Director nominee is in each case based on information provided by such nominee. "50% of Share Units Held" refers to 50% of the total number of RSUs and PSUs held by each Director nominee. Income tax will be payable on the redemption of the vested RSUs and PSUs. For current holding of Common Shares and vested RSUs see also "Section 12.2(c) – Compensation Related Governance - Share Ownership Guidelines".

- (4) “Value at Market Price – May 18, 2021” is calculated by multiplying the number of Common Shares Held and 50% of the Share Units Held by the closing price of the Common Shares on the TSX on May 18, 2021 of \$17.42.
- (5) For a discussion of the calculation of “Value per Company Policy – May 18, 2021” see “Section 12.2(c) – Compensation Related Governance - Share Ownership Guidelines”.
- (6) For additional compensation information for Mr. Stanford and Ms. Kuzenko with respect to RSUs and PSUs, see “Section 12.4 - Summary and Other Compensation Tables” including “Incentive Plan Awards”.

## 11.2 Director Expertise

The Directors have a diverse range of skills and experience. Their principal areas of competence are:

Director	Rick Howes	Jody Kuzenko	Frank Davis	Tony Giardini	Jennifer Hooper	Jay Kellerman	Rosie Moore	Roy Slack	Elizabeth Wademan
Board Experience	✓	✓	✓	✓		✓	✓	✓	✓
Governance Experience	✓		✓	✓		✓	✓	✓	✓
Senior Management	✓	✓		✓	✓	✓	✓	✓	✓
Mining Operations	✓	✓		✓			✓	✓	
Mine Development & Construction	✓							✓	
Mineral Geology	✓						✓		
Corporate Finance			✓	✓		✓	✓		✓
Financial/Audit	✓	✓	✓	✓*		✓	✓		✓
Sustainability	✓	✓			✓			✓	✓
Legal/Regulatory		✓	✓		✓	✓		✓	
Communications/IR	✓	✓	✓	✓	✓	✓	✓		✓
Compensation/HR	✓	✓	✓	✓	✓	✓		✓	✓
IT/Cyber/Digital	✓			✓					

✓ Advanced degree of experience or expertise in a particular area; ✓ General experience in a particular area

\* The Board has determined that Mr. Giardini is an audit committee financial expert.

### 11.3 Corporate Cease Trade Orders

No proposed Director of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### 11.4 Bankruptcies and Other Proceedings

No proposed Director of the Company is, as of the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed Director of the Company has within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

### 11.5 Penalties and Sanctions

No proposed Director of the Company is, as at the date hereof, or has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

### 11.6 Majority Voting for Directors

The Board has adopted a majority voting policy stipulating that shareholders are entitled to vote annually in favour of each individual Director nominee at a shareholders' meeting. If the votes in favour of the election of a Director nominee at a shareholders' meeting represent less than the number of votes withheld, the nominee will submit their resignation promptly after the meeting for the Corporate Governance and Nominating Committee's consideration (which resignation will be effective upon acceptance by the Board). In such circumstances, the Corporate Governance and Nominating Committee will make a recommendation

to the Board as to the Director's suitability to continue to serve as a Director after reviewing, among other things, the stated reasons, if any, why shareholders withheld votes, the length of service and the qualifications of the Director, the Director's contribution to the Company, the Company's governance guidelines and TSX listing standards. The Board will consider such recommendation and, within 90 days of the shareholders' meeting, make a decision whether or not to accept the resignation. The Board will accept the resignation absent exceptional circumstances. Following the Board's decision regarding the resignation, the Company will publicly disclose whether the Board has accepted or rejected the resignation, including the reasons for rejecting the resignation, if applicable, and will provide a copy of the news release to the Toronto Stock Exchange. A Director who tenders their resignation pursuant to the majority voting policy is not permitted to participate in any portion of any meetings of the Board at which their resignation is being considered. The policy does not apply in circumstances involving contested director elections.

At the annual and special meeting of shareholders of the Company held on June 17, 2020, each director nominee was elected within a range of approximately 63.38% - 99.73% of the votes represented in person or by proxy at the meeting cast in favour of the election of such nominee (with a range of approximately 0.27% - 36.62% of the votes withheld).

Following the Meeting, the Company will file on SEDAR at [www.sedar.com](http://www.sedar.com) a report of voting results pursuant to Section 11.3 of National Instrument 51-102 – *Continuous Disclosure Obligations* disclosing the outcome of each matter voted upon at the Meeting and issue a press release regarding all items of business conducted at the Meeting, including the detailed results of the vote for the election of Directors. A copy of the majority voting policy is available on the Company's website at [www.torexgold.com](http://www.torexgold.com).

#### 11.7 Advance Notice

Shareholders who intend to nominate directors must send notice to the Company on or before May 20, 2021, 40 days prior to a shareholder meeting where the notice-and-access method is used to deliver materials to shareholders. This deadline is in accordance with the Company's By-Law No. 2. A copy of By-Law No. 2 is available on the Company's website at [www.torexgold.com](http://www.torexgold.com). Notice of the date of the Meeting was filed on the Company's profile on SEDAR on April 16, 2021.

## 12. STATEMENT OF EXECUTIVE AND DIRECTOR COMPENSATION

### 12.1 A letter from Rick Howes, Lead Director and Chair of the Compensation Committee, on behalf of the Compensation Committee

Dear Shareholders,

On behalf of the Board and the Compensation Committee (the "**Committee**"), I am pleased to introduce the Compensation Discussion and Analysis ("**CD&A**"). The pages that follow explain Torex's executive compensation philosophy, pay program design, and the decisions taken in respect of 2020 compensation.

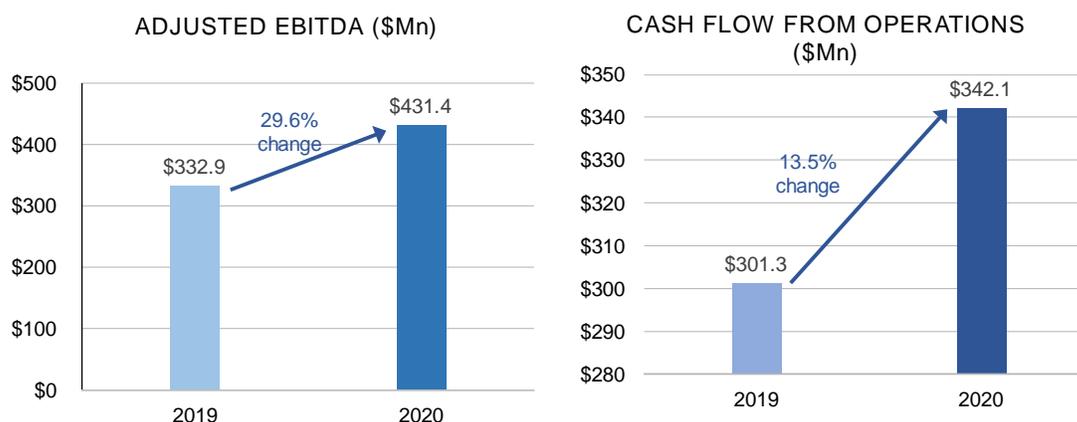
#### Business Highlights and the Impact of COVID-19

2020 was obviously an unprecedented and consequential year, with the COVID-19 pandemic having a profound impact on Torex's operations in Mexico and in Canada. In April, operations at the El Limon Guajes ("**ELG**") operation were suspended following a decree from the Government of Mexico. Partial production restarted in May, and then full production in June with enhanced health protection protocols in place. Notwithstanding this challenge, Torex developed significant operational momentum in the second half of 2020 and finished the year with solid performance, which has continued into 2021. Highlights include:

## Production, Cost, and Financial Results<sup>1</sup>

Gold production of 430,484 ounces produced despite the interruption caused by the pandemic. These results were within the range of Torex’s original guidance, and above the high end of revised post-pandemic guidance. Total cash costs<sup>1</sup> per ounce of gold sold (“**TCC**”) were USD \$672 and all-in sustaining costs per ounce of gold sold<sup>1</sup> (“**AISC**”) were USD \$924, reflecting strong 2020 production.

As shown in the charts below, Torex attained new records for adjusted EBITDA performance and operating cash flow in 2020. Further, Torex’s balance sheet moved from a net debt position at the end of 2019, to a net cash position by the end of 2020, leading to the retirement of all outstanding long-term debt by the end of Q1 2021.



## Safety

Simply extraordinary safety results. Between April 2019 and December 2020, Torex employees and contractors worked 10 million hours worked without a lost-time injury. The 2020 lost time injury frequency rate (“**LTIF**”) was 0.15 per million hours worked. This was an outstanding outcome, particularly considering the additional complexity introduced by the need to adapt the working environment for additional COVID-19 safety protocols.

## Future Growth

Despite delays caused by the pandemic, Torex continued the development of the Media Luna project and the Muckahi Mining System technology, including the substantial completion of the 2020 Media Luna infill drilling program, commencement of the underground tunnel from the ELG complex, and a demonstration of monorail-based muck transport.

## COVID-19, Pay for Performance, and Torex’s Compensation Philosophy

Torex’s executive compensation program is highly performance-based and puts significant pay at risk for senior executives. The STIP is earned based on operational performance indicators; the Compensation Committee considers performance relative to pre-set objective performance criteria and then incorporates judgment over final performance evaluations and payout determinations. The LTIP functions differently: it

<sup>1</sup> TCC, AISC, Adjusted EBITDA, and Net Cash Position are non-IFRS measures. See Torex’s Q4 2020 Management’s Discussion & Analysis for additional explanation. Torex does not currently determine incentive pay based on financial metrics.

is share-based and rewards long-term performance in line with the shareholder experience, without requiring any intervention from the Compensation Committee.

Torex did not change the *design* of either the short-term incentive plan (“**STIP**”) or the long-term incentive plan (“**LTIP**” – which relies on equity-based compensation) for the impact of the COVID-19 pandemic. The Compensation Committee evaluated 2020 performance under the STIP based on Torex’s revised guidance to the capital markets, as a way of taking the interruption to operations into account.

Torex also revised its share ownership guidelines in 2020. Key changes included: 1) all direct reports to the CEO now have ownership guidelines; 2) more rigorous requirements for the C-Suite executives and for Board members, compared to the prior policy.

### Say on Pay

Starting in 2017, Torex began holding an annual advisory vote on the Company’s executive compensation program (“**Say on Pay**” vote). The results of this ballot have been favourable since then, as shown in the table below:

Year	Result
2020	96.8%
2019	98.0%
2018	96.1%
2017	97.1%

The Compensation Committee will continue to follow industry trends with respect to executive compensation, and seek out shareholder and other stakeholder feedback and advice on the design of the executive pay program.

### Leadership Transitions

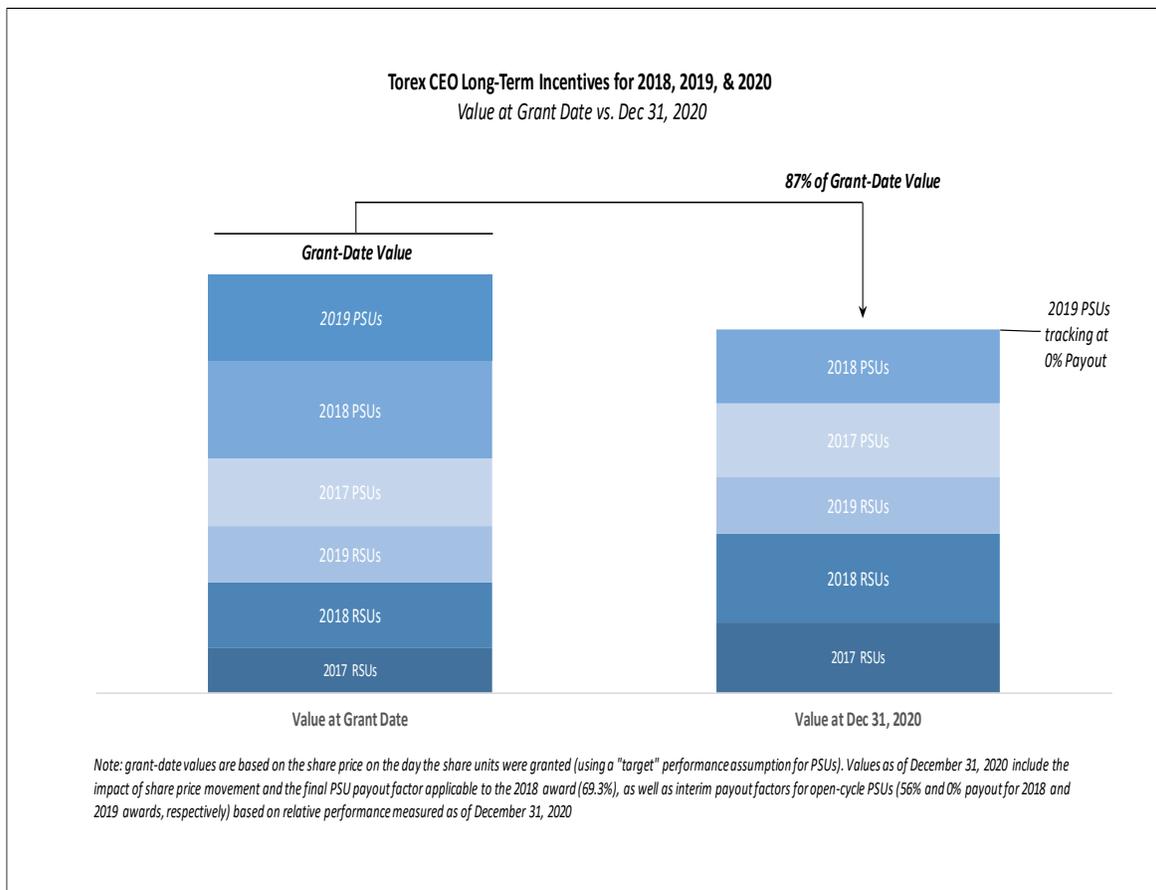
2020 was also a year of material changes in the senior leadership team at Torex. In late 2019 Torex shared its plan to have Fred Stanford transition from CEO to Executive Chair of the Board, with Jody Kuzenko promoted into the CEO role. This plan took effect at the 2020 annual general meeting, at which time Jody was also elected to the Board. Further, Steven Thomas stepped down as CFO at the end of the year, and was succeeded by Andrew Snowden starting in 2021. Further changes will take place in 2021, with Fred Stanford stepping down as Executive Chair of Torex’s Board.

### CEO and Executive Chair Compensation

In determining CEO and Executive Chair (for his service as CEO) STIP payouts, the Compensation Committee and Board considered performance against the original STIP performance goals and Torex’s revised guidance, including an acknowledgement of the additional degree of difficulty associated with adapting to the COVID-19 pandemic. The Committee and Board also considered individual leadership performance by both executives. After considering all these factors the Board approved STIP payouts at 100% and 110% of target (with target opportunities adjusted for the CEO transition at mid-year), for Fred Stanford and Jody Kuzenko, respectively.

In January 2021, the Compensation Committee also approved performance share unit (“**PSU**”) payouts for the PSU cycle covering the 2018 – 2020 period, which concluded on December 31. Payouts were confirmed at 69% (of target PSUs granted in 2018), determined based on Torex’s relative total shareholder return (“**TSR**”) performance results, with no additional judgment applied by the Committee.

The chart below shows the status as of December 31, 2020 of the PSU and restricted share unit (“RSU”) awards granted to Fred Stanford over the last three years (2018 – 2020), relative to the grant-date values of these awards. Torex’s TSR was negative in 2020; the graph illustrates how Torex’s equity-based executive compensation is aligned with the shareholder’s experience:



## Torex and its Stakeholders

Torex’s Board and management team have always been committed to operating in partnership with all of our stakeholders, most notably the communities in which we operate. Licenses to operate might be granted by governments, but they are maintained by strong partnerships with communities. At the outset of the pandemic, some onsite employees embedded themselves in the local community “bubble” (i.e., outside of the ELG facility’s own bubble) in order to help community members adapt to the pandemic and stay safe. The restart of operations was conducted with the support of and in consultation with the community.

Environmental, Social, and Governance (“ESG”) considerations have always formed part of the Torex operating philosophy. In 2021, Torex hired a new Vice President of Corporate Affairs & Social Responsibility, who joined the Company with a specific mandate to improve our ESG program and reporting. Torex also promoted the General Manager from Company’s operations in Mexico, with specific experience in external relations including in the local communities, to the senior executive team. Further, ESG indicators were reflected formally in the 2020 STIP, and additional indicators were added to the 2021 STIP (as described in the 2020 year-end Management’s Discussion & Analysis). The Committee will

continue to monitor fast-moving industry and governance trends in this area, making additional adjustments as warranted.

## Conclusion

2020 was a year of significant transition for Torex, which has continued into 2021 with additional Board refreshment and executive leadership succession. The leadership team managed ably through the unprecedented effects of the pandemic, and has positioned the Company for further long-term growth and value creation for all stakeholders. I invite you to review the Compensation Discussion and Analysis (CD&A) that follows for additional explanation of how the executive pay program seeks to support that goal.

Yours sincerely,

Rick Howes  
Lead Director and Compensation Committee Chair

## 12.2 Compensation-Related Governance

### (a) *Compensation Philosophy, Risk Management Principles and Policies*

The Compensation Committee's compensation philosophy is summarized as follows:

- The overall purpose of the policy is to align Named Executive Officer (“NEO”) decision making with the interests of the Company's shareholders.
- Executive compensation is intended to be highly competitive with market, in order to attract and retain talented and high performing executives who are capable of successfully interpreting the complexity of the business environment in order to be able to make the quality decisions that advance shareholder interests.
- Compensation is intended to be mostly “at risk” and linked to corporate and individual performance.

The program is intended to align executive interests with the principle of “doing the right thing” for the Company and its stakeholders, regardless of that thing's impact on any one performance indicator. Incentive compensation should recognize the quality of management's judgment in dealing with the obstacles that create variability in the Company's business environment.

Short-term incentive compensation is intended to incent executives to achieve operational and growth-oriented strategic objectives in support of future value creation. It is based on objective criteria while preserving a role for Compensation Committee judgment in the final assessment of performance. This is particularly so given that business circumstances may change over the course of the year, and the “degree of difficulty” as assessed at year-end may differ (in either direction) from what was anticipated at the start of the year.

Long-term incentive compensation is intended to align executives' interests with the shareholder experience over a longer timeframe.

- Compensation should be differentiated between roles of differing accountability and complexity.

In establishing the Company's compensation policies, the Compensation Committee seeks to address compensation-related risks. Torex's compensation programs:

- Are designed to work as part of a single compensation system. Each element of the program has its own purpose and is intended to work in conjunction with the other elements to encourage the responsible management of all aspects of the Company's operations.
- Measure performance based on a portfolio of operational, financial, and stock price-related indicators.
- Incorporate judgment into the evaluation of performance against STIP goals rather than basing evaluations on a purely formulaic assessment against each individual objective that could give executives an incentive to maximize their short-term benefits to the detriment of the long-term value of the Company.
- Provide a balance between performance measured relative to peers/industry, and performance measured against pre-set internal objectives.
- Provide for equity awards to be made annually to ensure that executives remain exposed to the consequences of their decision making through their unvested equity-based incentives.
- Avoid excessive payouts to senior executives and other employees.
- Are reviewed regularly by the Compensation Committee for ongoing alignment with the Company's business and compensation strategy and objectives, and with market and best practices for senior executive compensation design.

The Compensation Committee believes that the programs are balanced and do not motivate unnecessary or excessive risks. The Compensation Committee has not identified any risks from the Company's compensation practices or policies that are likely to have a material adverse effect on the Company.

Good Governance Practices	No Problematic Pay Practices
✓ A broad array of indicators to measure short- and long-term incentive plan performance	✗ No supplemental benefit arrangements
✓ More than 50% of senior executive equity-based compensation is performance-based	✗ No excessive perquisites
✓ More than 75% of CEO compensation and ~55% of other NEO compensation (on average) is at risk	✗ No excessive severance payments
✓ Caps on short- and long-term incentive award payouts	✗ No guaranteed STIP or other annual bonus payments
✓ Directors and senior executives are subject to share ownership guidelines (expanded in 2020)	✗ No loans to Directors or executives
✓ Clawback and anti-hedging policies	✗ No repricing of stock options
✓ Independent Compensation Committee and compensation consultant	✗ No automatic single-trigger vesting acceleration on equity awards upon change in control
✓ Annual Say on Pay advisory vote	

**(b) Clawback Policy**

The Board has adopted a clawback policy that allows it to require reimbursement of excess incentive compensation paid or granted to any officer, Director, or employee, if:

1. The Company is required to restate its financial statements to correct a material error,
2. The officer, Director, or employee engaged in intentional misconduct which directly or partially caused the need for the restatement or correction, and
3. The compensation paid to the officer, Director, or employee would have been lower had it been based on the properly reported financial results (the difference being the "excess incentive compensation").

If these three events occur, the Board and the Compensation Committee will determine how to apply the policy to the situation. If the Board and Committee determine that the policy should be triggered, the Company will seek to claw back the excess incentive compensation paid or granted during or for the years subject to the restatement. The clawback policy may be applicable to cash and/or equity-based incentive compensation.

**(c) Share Ownership Guidelines**

To align the interests of the Company's Directors and executives with those of shareholders, the Compensation Committee has adopted share ownership guidelines (the "**Share Ownership Guidelines**") applicable to Directors and executives. In 2020, these guidelines were revised, to expand the list of covered executives, and to increase the multiples as follows:

Participant	Prior Guideline	Revised Guideline
Executive Chair	N/A	Equal to CEO guideline as of January 1, 2021
Chief Executive Officer	3X base salary	4.2X base salary
Chief Operating Officer and Chief Financial Officer	1X base salary	3X base salary
Other Executives (reporting to the CEO or Executive Chair)	None	1X base salary
Non-Executive Directors	3X base annual cash retainer	4.2X base annual cash retainer

The executive guideline values were selected to be equal to two times the value of each executive's annual LTIP grant. The guideline values for Board members were chosen to align with the CEO's multiple.

Common Shares owned outright, and 50% of Common Shares issuable under share units are included in assessing whether the guideline has been met. Stock options are not included in assessing guideline compliance. Covered participants have five years following their date of hire or election/appointment to the Board to achieve the ownership levels, and five years following a promotion into a new role with a new salary rate, or a change in base retainer as applicable, to achieve the associated incremental ownership level.

For purposes of measuring guideline attainment, the value of eligible equity is determined as follows:

- For share units (or shares obtained from the redemption of share units), the price used to size the original grant of RSUs or PSUs
- For shares obtained through the exercise of stock options, the closing price on the day before the options are exercised
- For other common shares, the acquisition price

Once the applicable relevant threshold is deemed to have been satisfied, the participant is deemed to have met their guideline requirement on an ongoing basis, provided that they do not dispose of shares which causes them to fail to meet the relevant threshold immediately following such disposition.

The Compensation Committee reviews the share ownership guidelines from time to time and recommends any changes to the Board for approval.

The table below shows the degree of attainment with guideline requirements as revised in 2020. Covered executives and Board members have until January 1, 2026 to come into compliance with the revised guidelines.

Participant	Guideline Value <sup>(1)</sup>	Common Shares Held <sup>(2)</sup>	50% of Share Units Held <sup>(2)</sup>	Value of Ownership Position Per Guidelines	Value of Ownership Position at Market Price <sup>(2)</sup>	Share Ownership Guidelines Met?
<b>Executives</b>						
Fred Stanford (Executive Chair)	3,371,340	180,465	109,327	4,836,330	5,048,168	Yes
Jody Kuzenko (CEO)	3,371,340	23,422	104,665	2,115,478	2,231,276	N/A
Bernie Loyer (VP, Projects)	419,054	24,977	20,407	699,575	790,581	Yes
Barry Murphy (VP, Engineering)	364,100	1,131	11,967	246,608	228,158	N/A
Anne Stephen (VP, Human Resources and Organization Effectiveness)	341,500	500	15,388	242,629	276,769	N/A
<b>Directors</b>						
Andrew Adams	315,000	88,640	19,433	2,300,577	1,882,623	Yes
Robin Bienenstock	315,000	15,962	5,864	393,741	380,200	Yes
Frank Davis	315,000	9,476	10,787	380,591	352,973	Yes
David Fennell	315,000	14,917	1,453	322,193	285,160	Yes
Rick Howes	315,000	—	6,616	115,681	115,242	N/A
Michael Murphy	315,000	7,900	8,833	246,268	291,489	N/A
Roy Slack	315,000	—	1,453	24,992	25,311	N/A
Elizabeth Wademan	315,000	5,527	12,556	315,000	315,006	Yes

Notes:

(1) Based on 2020 base salary rates and annual cash retainers, as the case may be.

(2) Common Shares and RSUs and PSUs held on May 18, 2021. Value based on the closing price of the Common Shares on the TSX on May 18, 2021 of \$17.42/share.

#### **(d) Anti-Hedging Policy**

The Company's insider trading policy further aligns the interests of shareholders, Directors, and employees, by prohibiting Directors and employees from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in the market value of their holdings of Company stock.

**(e) Independent Advice/Executive Compensation-Related Fees**

The Compensation Committee retains independent advisors as it deems appropriate to assist it with its decision-making related to senior executive compensation. The Compensation Committee considers the information and recommendations provided by its advisor (and by management), but is ultimately responsible for its own decision-making. In 2020, the Compensation Committee retained Meridian Compensation Partners ("**Meridian**") to provide independent advice to the Compensation Committee. A summary of fees billed by Meridian for such services in 2019 and 2020 is as follows:

	2020	2019
Executive Compensation Related Fees (\$)	<b>\$83,109</b>	\$92,209
All Other Fees (\$)	<b>Nil</b>	Nil

**12.3 Compensation Discussion and Analysis ("CD&A")**

**(a) Named Executive Officers**

In 2020, the Company's NEOs were:

- Mr. Fred Stanford – Executive Chair and former President and Chief Executive Officer ("**CEO**")
- Ms. Jody Kuzenko – President and CEO and former Chief Operating Officer ("**COO**")
- Mr. Steven Thomas - Chief Financial Officer ("**CFO**")
- Mr. Bernie Loyer - Vice President, Projects
- Mr. Barry Murphy - Vice President, Engineering
- Ms. Anne Stephen - Vice President, Human Resources and Organization Effectiveness

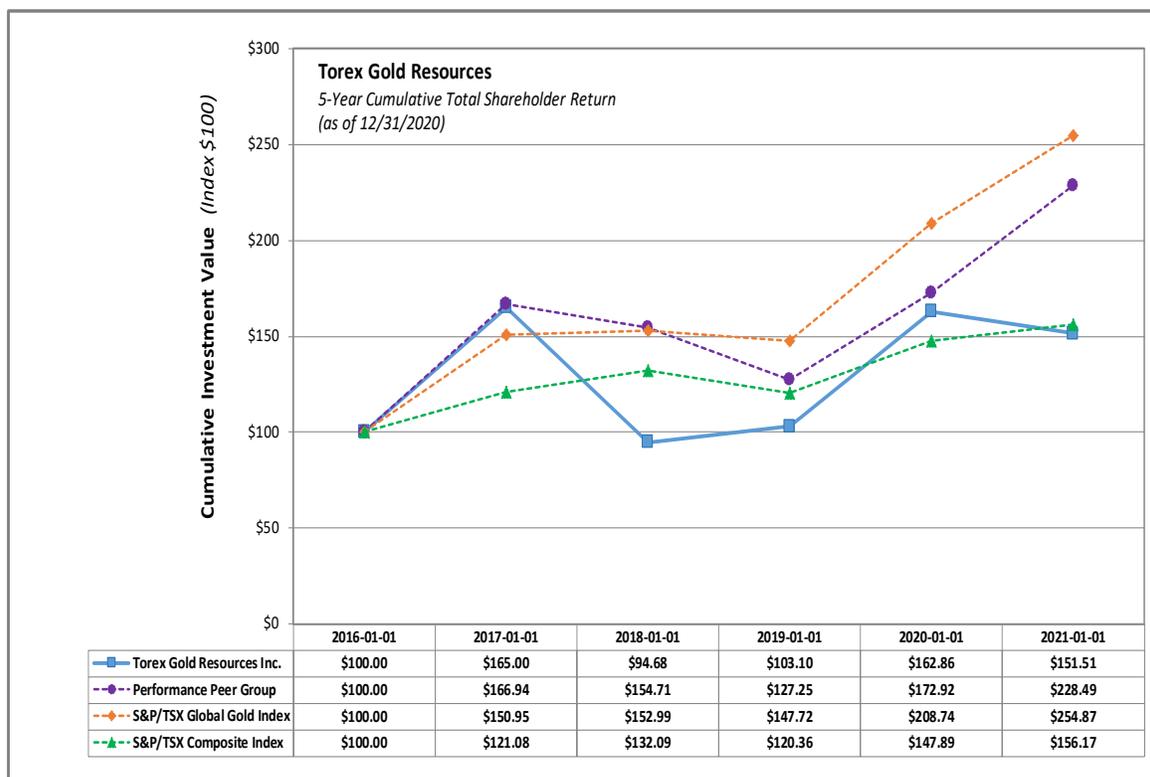
**(b) Leadership Transitions in 2020**

As noted, Mr. Stanford stepped down as CEO and became Executive Chair of the Board at the 2020 annual meeting of shareholders. Ms. Kuzenko became CEO and joined the Board at the 2020 annual meeting. Mr. Thomas stepped down as CFO on December 31, 2020 and was succeeded by Mr. Andrew Snowden. The details of Mr. Snowden's compensation arrangements upon his hire will be discussed in the 2022 management information circular.

**(c) NEO Pay and TSR Performance**

The majority of any NEO pay increases will be delivered as performance-based, at-risk compensation. Equity-based compensation represents more than 50% of the CEO's target total direct compensation and more than 30% for the other NEOs on average, meaning a significant fraction of the value realized by the NEOs depends on Torex's share price performance, as noted in the Committee Chair's letter above.

Torex's 5-year cumulative indexed TSR compared to that of the S&P/TSX Composite and the Company's performance peer group (see page 56), based on the value of \$CAD 100 invested as of January 1, 2016, is included in the chart below. The amounts assume the reinvestment of all dividends.



Peer group weighted by market cap; reweighted annually on January 1<sup>st</sup>.

#### (d) Oversight of the Executive Compensation Program

The Compensation Committee oversees the compensation of the NEOs. The Compensation Committee's responsibilities include, but are not limited to:

- Reviewing and recommending to the Board for approval the compensation and other benefits of the NEOs.
- Reviewing the goals and objectives of the NEOs for the next financial year of the Company.
- Evaluating the performance of the NEOs following the end of the financial year with input from the CEO on goals, objectives and performance of the NEOs other than the CEO and the Executive Chair.

In determining its recommendation to the Board for CEO compensation, the Compensation Committee considers the CEO's performance, the Company's performance, the compensation of other chief executive officers at comparable companies, the Executive Chair's input and recommendation, other relevant factors including the CEO's self-assessment, and input from the Compensation Committee's independent advisor.

In determining its recommendation to the Board for other NEO compensation (other than the Executive Chair's compensation), the Compensation Committee considers the CEO's evaluation of each NEO's individual performance and pay recommendations, the Company's performance, the compensation of executives at comparable companies, input from the Compensation Committee's independent advisor, and other relevant factors. The Compensation Committee, as members of the Board and other Board committees, also receive presentations from and interact directly with the NEOs over the course of the year.

**(e) Use of Market Data and Peer Group for Benchmarking**

The Compensation Committee reviews compensation elements for each NEO annually, taking into account each NEO's scope of responsibilities, experience, and individual performance. The Compensation Committee also compares NEO compensation levels, by component of pay and in total, to benchmark market data, which is developed primarily using a peer group of mining companies. This group was last reviewed in 2019 using the following criteria:

- Mining companies with a North American public exchange listing and a focus on producing precious metals
- Within a reasonable size range of Torex (generally 1/3x to 3x Torex's size, based on total assets, with revenue and market capitalization used as secondary screening criteria)

Torex's benchmarking peer companies include:

Alamos Gold Inc	Dundee Precious Metals Inc	OceanaGold Corp
Argonaut Gold Inc	First Majestic Silver Corp	Pan American Silver Corp
B2Gold Corp	Fortuna Silver Mines Inc	Pretium Resources Inc
Centerra Gold Inc	Hecla Mining Co	SSR Mining Inc <sup>1</sup>
Coeur Mining, Inc	Kirkland Lake Gold Inc <sup>2</sup>	Teranga Gold Corp <sup>3</sup>

<sup>1</sup> Alacer Gold and SSR Mining merged in 2020; SSR remains in Torex's peer group

<sup>2</sup> Kirkland Lake Gold acquired Detour Gold in 2020; Kirkland Lake Gold remains in Torex's peer group

<sup>3</sup> Teranga Gold was under acquisition at the end of 2020

Torex's peer group also included the following companies that have since been acquired and whose successors have not been retained in the group: Guyana Goldfields, Leagold Mining, SEMAFO

When making pay decisions, the Compensation Committee considers market data from this group, or other industry market data as appropriate, with particular focus on the 50<sup>th</sup> and 60<sup>th</sup> percentiles by position, and seeks to position NEO target total compensation competitively given those reference points. 2020 pay actions with respect to salaries and incentive compensation opportunities were generally taken with this positioning objective in mind.

**(f) Elements of Torex's Compensation Program**

The components of the Company's compensation program are base salary, short-term incentive, long-term incentive, and benefits as set out in the table below:

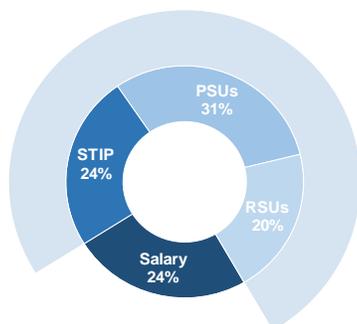
Compensation Element	Form	Performance Period	Purpose
<b>Annual Compensation</b>			
Base Salary	Cash	N/A	Fixed pay paid throughout the year that provides a baseline market competitive level of compensation to NEOs for the level of accountability and complexity inherent in their roles.
Short-Term Incentive (STIP)	Cash	1 year	At-risk pay intended to provide a meaningful incentive to achieve the Company's annual operational objectives. Executives are rewarded based on the achievement of specific mine-wide and individual goals.
<b>Long-Term Incentive Plan (LTIP) Compensation</b>			
Performance Share Units (PSUs)	Shares	3 years	At-risk equity-linked pay that aligns NEO interests over the longer term with those of investors, by requiring superior relative TSR performance over each three-year performance period.
Restricted Share Units (RSUs)	Shares	3 years	Equity-linked pay that vests after three years, which supports a longer-term focus for decision-making and aligns executive interests with those of shareholders.
<b>Other Compensation</b>			
Benefits and Perquisites	N/A	N/A	Baseline employee benefits necessary to maintain market competitiveness and maintain executive health and well-being. NEOs generally are eligible for group benefit programs (medical, pharmacy, vision, life and AD&D insurance), on the same basis as other employees. Mr. Loyer participates in Torex's U.S. group benefit plans for international rotator employees. Mr. Loyer is entitled to a housing allowance and tax equalization benefits. The NEOs are entitled to annual health assessments. The Company does not have any pension or group retirement savings plans for its employees.

**(g) Mix of Pay**

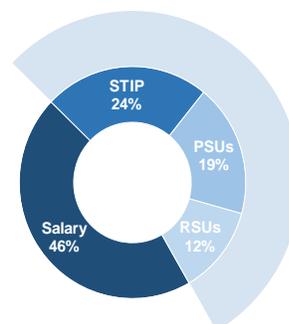
2020 target compensation mix and at-risk pay for the CEO and other NEOs (excluding the Executive Chair, who has a different pay structure as discussed further below) is shown in the charts below (based on 2020 base salary rates, target STIP opportunities, and intended (target) LTIP award values in percentage of salary terms). The CEO mix reflects Ms. Kuzenko's target compensation following her promotion into the

CEO role. More than 75% of CEO pay and more than 50% of other NEO pay, at target, is "at risk" and subject to performance:

**CEO MIX OF PAY**



**OTHER NEO AVERAGE MIX OF PAY**



**(h) Summary of NEO Target Compensation Values**

2020 NEO target direct compensation (the sum of salary, STIP opportunity, and target value of LTIP awards) are summarized as follows (dollar values in \$CAD unless otherwise noted):

Name	2020 Salary	STIP Opportunity (% of Salary)	(LTIP Award % of Salary)	LTIP Allocation PSUs	RSUs	Target Direct Compensation
Mr. Stanford (Executive Chair) <sup>1</sup>	\$1,572,000	N/A	N/A	N/A	N/A	\$1,572,000
Ms. Kuzenko (CEO) <sup>2</sup>	\$630,200	100%	210%	60%	40%	\$2,583,820
Mr. Thomas	\$416,200	60%	150%	60%	40%	\$1,290,220
Mr. Loyer <sup>3</sup>	\$339,600	50%	50%	60%	40%	\$679,200
Mr. Murphy	\$346,800	50%	50%	60%	40%	\$693,600
Ms. Stephen	\$334,800	50%	50%	60%	40%	\$669,600

1 Mr. Stanford's 2020 target compensation as CEO was: salary rate of \$787,000, target STIP opportunity of 100% of salary, and LTIP award of 210% of salary. Mr. Stanford received a STIP payout for 2020 (as Executive Chair, Mr. Stanford did not participate in the STIP for the balance of 2020), pro-rated for his time as CEO, and a 2020 LTIP award.

2 Ms. Kuzenko's 2020 target compensation as COO was: salary rate of \$500,700, target STIP opportunity of 70% of salary, and LTIP award of 150% of salary. Ms. Kuzenko received a STIP payout for 2020, pro-rated for her time as COO and CEO in 2020, a 2020 LTIP award as COO, and additional LTIP awards granted in conjunction with her promotion to the CEO position.

3 Values for Mr. Loyer are expressed in \$USD.

**Compensation for the Executive Chair**

As Executive Chair of the Board, Mr. Stanford remained employed by Torex. In addition to managing the Board's activities, Mr. Stanford's primary responsibilities related to leading the development of the Muckahi mining system technology and the Media Luna project adjacent to the ELG facility.

In conjunction with his transition to the Executive Chair role, Mr. Stanford entered into a new employment agreement with the Company. Details of this agreement are noted under "Termination and Change in Control Benefits" below. As Executive Chair, Mr. Stanford's target direct compensation was delivered in the form of salary only; his final STIP and long-term incentive awards were in respect of 2020. Torex's Board

agreed to this arrangement in order to provide suitable compensation to Mr. Stanford while he focused on critical work related principally to the Muckahi technology.

**(i) 2020 Base Salaries**

The Compensation Committee adjusted base salaries for 2020 to reflect local market movements in salary merit budgets and inflation adjustments. In addition, Ms. Kuzenko's salary rate was adjusted in connection with her promotion to CEO in June 2020.

**(j) Short-Term Incentive Plan**

STIP bonuses are paid based on performance against a series of performance objectives. Each of the NEOs has a target STIP opportunity expressed as a percentage of base salary and allocated between "Corporate" and "Individual" objectives. The CEO's allocation is 85% to Corporate Objectives and 15% to Individual Objectives; for other executives the allocation is 75% and 25%, respectively.

STIP payouts may range from 0% to 200% of target, depending on performance for the year. However, a payout in excess of 100% of target would typically require extraordinary Company or individual performance, and would be made based on an exercise of positive discretion by the Compensation Committee in its judgment.

The STIP metrics and weightings for 2020, and actual performance assessments, were as follows:

	Performance Measure	Weighting	Goals and Performance Assessment
Corporate	Safety	15%	<ul style="list-style-type: none"> <li>No fatalities</li> <li>Lost time injury frequency rate (LTIF) &lt;1.0/million hours worked</li> <li><b>Assessment:</b> <i>Performance Exceeded Target.</i> No fatalities, and actual LTIF of 0.15</li> </ul>
	Environment	10%	<ul style="list-style-type: none"> <li>No reportable spills (1,000 litres or more that report to the river or reservoir)</li> <li><b>Assessment:</b> <i>Performance Met Target.</i> No reportable spills</li> </ul>
	Production (2020)	35%	<ul style="list-style-type: none"> <li><b>Original Goal:</b> produce between 420,000 and 480,000 ounces of gold</li> <li><b>Revised Guidance, post-pandemic interruption:</b> produce 390,000 and 420,000 ounces of gold</li> <li><b>Assessment:</b> <i>Performance Exceeded Target.</i> 430,484 ounces of gold were produced (within the original goal range and above the high end of revised guidance)</li> </ul>
	Capitalized Waste Stripping	10%	<ul style="list-style-type: none"> <li><b>Original Goal:</b> strip 38 million tonnes of waste</li> <li><b>Revised Guidance, post-pandemic interruption:</b> strip 38 million tonnes of waste</li> <li><b>Assessment:</b> <i>Performance Slightly Below Target.</i> 37 million tonnes of waste were stripped</li> </ul>

	Performance Measure	Weighting	Goals and Performance Assessment
	Cost Control	15%	<p><b>Original Goals (all figures in \$USD)</b></p> <ul style="list-style-type: none"> <li>TCC of \$640 - \$670 per ounce</li> <li>AISC of \$900 - \$960 per ounce</li> <li>Sustaining capital expenditures of &lt;\$85 million</li> <li>Non-sustaining capital expenditures of &lt;\$82 million</li> </ul> <p><b>Revised Guidance (all figures in \$USD)</b></p> <ul style="list-style-type: none"> <li>TCC of \$695 - \$740 per ounce</li> <li>AISC of \$965 - \$1,025 per ounce</li> <li>Sustaining capital expenditures of &lt;\$83 million</li> <li>Non-sustaining capital expenditures of &lt;\$92 million</li> </ul> <p>• <b>Assessment: Performance Exceeded Target.</b></p> <ul style="list-style-type: none"> <li>TCC was \$672/ounce</li> <li>AISC was \$924/ounce</li> <li>Sustaining capital expenditures were \$81 million</li> <li>Non-sustaining capital expenditures were \$85 million</li> </ul>
	Set-up for Growth	15%	<ul style="list-style-type: none"> <li>Complete the \$13 million infill drilling program for Media Luna</li> <li>Be on schedule to complete the Media Luna feasibility study by mid-year 2021</li> <li>Begin the underground tunnel from the ELG facility to Media Luna by Q3 2020</li> <li>Test the Muckahi system: demonstrate conveyor loading on a ramp, monorail-based muck transport, mucking out across multiple long hole stopes</li> </ul> <p>• <b>Assessment: Performance Met Target.</b></p> <ul style="list-style-type: none"> <li>The infill drilling program was delayed due to the pandemic, but substantially completed</li> <li>The Media Luna feasibility study is in progress, expected to be released in Q1 2022</li> <li>The ELG to Media Luna tunnel started late due to the pandemic, but started in Q4</li> <li>The Muckahi tests were delayed due to the pandemic, but substantially completed</li> </ul>
<b>Individual Objectives</b>	Specific performance objectives set at the start of the year for each NEO based on their scope of responsibilities		

NEO STIP payouts are determined by the Compensation Committee and recommended to the Board for approval, with input from the CEO. As noted above, the Compensation Committee does not follow a strictly formulaic approach to determining STIP attainment. Instead, the Compensation Committee examines degree of attainment against the performance goals listed above, the overall operational performance of

the Company, and any mitigating or offsetting factors, prior to making its determinations as to actual STIP payouts.

In early 2021, the Compensation Committee considered the Company's performance against the 2020 STIP goals, given the revised guidance provided following the interruption to operations prompted by COVID-19, and the additional complexity brought on by the adaptation to COVID-19 protocols once operations restarted. Overall, the Compensation Committee assessed corporate performance at somewhat higher than target.

The Committee also considered each NEO's individual contributions against their Individual Objectives, and Ms. Kuzenko's recommendations, for NEO awards (other than the Executive Chair's). The Committee considered Mr. Stanford's recommendation with respect to Ms. Kuzenko's award.

After reviewing these factors, the Committee approved STIP payouts at 100% and 110% of target for Mr. Stanford and Ms. Kuzenko, respectively (pro-rated for Mr. Stanford's service as CEO in 2020, and for Ms. Kuzenko's 2020 STIP targets during her time as COO and CEO, respectively, in 2020). The dollar values of these STIP payouts are included in the Summary Compensation Table that follows, on page 58. The Committee approved other NEO awards also in the dollar amounts noted in the Summary Compensation Table.

#### *(k) Long-Term Incentive Plan*

The purpose of the Company's long-term incentive program is to provide a meaningful incentive to achieve the Company's annual operational objectives through decisions that are consistent with creating long-term value to support the Company's share price.

In support of this objective, the Company delivers long-term incentive awards to the NEOs and other senior executives via two vehicles:

- **Performance Share Units (PSUs)** linked to the Company's relative total shareholder return over a three-year performance period (60% weighting by value). PSUs must be earned in order to vest, and have no "floor" level of payout (i.e., they can pay out at 0% of the number of share units granted).
- **Restricted Share Units (RSUs)** that vest based on the passage of time (40% weighting by value). RSU awards vest at the end of a three-year period.

Executive PSU and RSU awards are made under Torex's Employee Share Unit Plan ("**ESU Plan**") and are intended to be settled with shares from treasury or in cash shortly after vesting. Certain terminations of employment may alter the vesting treatment applicable to outstanding PSU and RSU awards. Please see "ESU Plan" on page 71 for more details on this plan. The Compensation Committee intends to make equity-based awards to the NEOs annually, to help maintain ongoing alignment between NEO compensation and the shareholder experience.

The Long-Term Incentive plan has two key features:

- The 60% weighting to PSUs, which must be earned in order to vest (i.e., they do not vest based solely on the passage of time), is aligned with market trends and best practice.
- The relative TSR performance metric is well-aligned with shareholder interests. The number of PSUs that vest is determined based on whether Torex outperforms other gold mining companies

in its performance peer group. This moderates the effect of gold price on PSU payouts, provides a significant reward for executives only if the Company outperforms its performance peer group, and ensures that a change in the price of gold alone cannot create high payout values.

RSUs were selected as the other vehicle for the program, because they provide a suitable balance against the higher-risk/reward properties of the PSU vehicle, and support ongoing retention of key executives while preserving alignment with shareholders.

Under the current program, PSUs will cliff-vest at the end of a three-year performance period, based on performance relative to the performance peer group, as follows:

3-Year Relative TSR Percentile Rank	# of PSUs Earned (% of Target Award)
90th Percentile or Greater	200%
60th Percentile	100%
30th Percentile	50%
Below 30th Percentile	0%

Payouts will be interpolated for any performance ranking that falls between the stated goals above.

The 60th percentile performance requirement to earn a full “target” payout of shares is a higher hurdle than typical market practice, but the Compensation Committee concluded that setting the “target” performance requirement at that level represented an appropriate level of outperformance relative to peers.

For the 2020 PSU awards, performance is measured against a custom performance peer group of mining companies (which overlaps with but is not the same as Torex’s peer group for benchmarking) with broadly similar business characteristics to Torex, as follows:

Alamos Gold Inc	Golden Star Resources	OceanaGold Corp
B2Gold Corp	Hecla Mining	Pretium Resources Inc
Centerra Gold Inc	IAMGOLD Corp	SSR Mining Inc
Coeur Mining Inc	McEwen Mining Inc	Yamana Gold Inc
Dundee Precious Metals	New Gold Inc	
Eldorado Gold Corp	NovaGold Resources Inc	

Included in the original peer group, but no longer trading and have been removed from the group: Alacer Gold, Detour Gold, Guyana Goldfields, Leagold Mining, SEMAFO, Teranga Gold, TMAC Resources

In January 2020, the Compensation Committee recommended, and the Board approved, regular cycle LTIP grants to certain of the NEOs, in the following amounts:

Executive	PSUs (60% Weight)	RSUs (40% Weight)
Mr. Stanford	51,276	34,184
Ms. Kuzenko	23,276	15,518
Mr. Thomas	19,347	12,898
Mr. Loyer	6,834	4,556
Mr. Murphy	5,374	3,583
Ms. Stephen	5,188	3,458

The PSUs will be earned based on relative TSR performance for the three-year period ending December 31, 2022, and will cliff-vest, to the extent earned, shortly after the end of the performance period. TSR will be measured based on the 60-day volume-weighted average share price (“**VWAP**”) immediately preceding the first and last days of the performance period (i.e., January 1, 2020 and December 31, 2022), and will incorporate reinvestment of any dividends. Subject to certain exceptions in the event of an eligible termination of employment, the RSUs will cliff-vest three years after grant, on January 19, 2023.

The dollar values of these grants are summarized in the Summary Compensation Table that follows.

As noted above, PSU awards granted in 2018 vested early in 2021, following the completion of the three-year performance period on December 31, 2020. Torex’s TSR performance for that period ranked at the 42<sup>nd</sup> percentile of the peers included in the 2018 PSU performance peer group. This translated to a payout factor of 69% of target (that is, for every 100 PSUs granted, 69 would ultimately be earned and vest).

Ms. Kuzenko received additional RSU and PSU awards in conjunction with her promotion to CEO. These additional awards were sized pro-rata based on the number of months left in each open-cycle performance period (for PSUs), or in the total vesting period (for RSUs) at the time of her promotion to the CEO role. They included additional PSUs for each of the open cycles (for 2018, 2019, and 2020).

A summary of the 2018 – 2020 PSUs granted versus earned is as follows:

<b>Executive</b>	<b>PSUs Granted</b>	<b>PSUs Vested</b>
Mr. Stanford	63,683	44,132
Ms. Kuzenko	25,304	17,535
Mr. Thomas	45,512	31,540
Mr. Loyer	9,265	6,420
Mr. Murphy	1,942	1,346
Ms. Stephen	7,331	5,080

The dollar values and details of these grants are included in the Summary Compensation Table and related notes that follow.

## 12.4 Summary and Other Compensation Tables

The following table provides information regarding compensation earned by the NEOs for the years ended December 31, 2018, 2019 and 2020.

Name and principal position	Year	Salary (\$) <sup>(10)</sup>	Share-based awards <sup>(1)</sup> (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)			All other compensation <sup>(7)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(2)</sup>	Long-term incentive plans	Pension value		
<b>Fred Stanford</b> <sup>(3)</sup> Executive Chair	2020	1,209,483	1,745,948 <sup>(4)</sup>	Nil	361,246	Nil	N/A	6,000	3,322,677
	2019	772,400	1,850,051 <sup>(5)</sup>	Nil	772,400	Nil	N/A	14,380	3,409,231
	2018	757,300	1,322,479 <sup>(6)</sup>	Nil	757,300	Nil	N/A	14,380	2,851,459
<b>Jody Kuzenko</b> <sup>(3)(9)</sup> Chief Executive Officer	2020	570,396	2,007,860 <sup>(4)</sup>	Nil	551,990	Nil	N/A	122,296 <sup>(8)</sup>	3,252,542
	2019	392,700	671,818 <sup>(5)</sup>	Nil	436,634	Nil	N/A	143,128 <sup>(8)</sup>	1,644,280
	2018	68,177	681,414 <sup>(6)</sup>	Nil	47,255	Nil	N/A	Nil	796,846
<b>Steven Thomas</b> <sup>(8)</sup> Chief Financial Officer	2020	416,200	658,765 <sup>(4)</sup>	Nil	187,290	Nil	N/A	671,601 <sup>(9)</sup>	1,933,856
	2019	408,000	698,000 <sup>(5)</sup>	Nil	244,800	Nil	N/A	2,380	1,353,180
	2018	300,000	1,391,693 <sup>(6)</sup>	Nil	180,164	Nil	N/A	Nil	1,871,857
<b>Bernie Loyer</b> <sup>(10)</sup> Vice President, Projects	2020	434,050	232,698 <sup>(4)</sup>	Nil	217,025	Nil	N/A	102,111 <sup>(11)</sup>	985,883
	2019	434,967	253,423 <sup>(5)</sup>	Nil	217,484	Nil	N/A	31,358 <sup>(11)</sup>	937,232
	2018	445,275	192,407 <sup>(6)</sup>	Nil	222,637	Nil	N/A	32,741 <sup>(11)</sup>	893,060
<b>Barry Murphy</b> Vice President, Engineering	2020	346,800	182,992 <sup>(4)</sup>	Nil	190,740	Nil	N/A	—	720,532
	2019	77,273	198,334 <sup>(5)</sup>	Nil	39,123	Nil	N/A	—	314,730
	2018	—	—	Nil	Nil	Nil	N/A	—	—
<b>Anne Stephen</b> Vice President, HR and Organization Effectiveness	2020	334,800	176,638 <sup>(4)</sup>	Nil	184,140	Nil	N/A	2,500	698,078
	2019	328,200	187,167 <sup>(5)</sup>	Nil	196,920	Nil	N/A	2,380	714,667
	2018	321,770	152,236 <sup>(6)</sup>	Nil	160,885	Nil	N/A	2,380	637,271

Notes:

- (1) Figures in this column represent the value RSUs and PSUs issued under the ESU Plan.
- (2) Annual cash bonuses for 2020, 2019, and 2018 were paid in February 2021, February 2020, and February 2019, respectively.
- (3) No compensation was paid to Mr. Stanford or Ms. Kuzenko in their capacity as a Director.
- (4) LTIP compensation awards for 2020 of RSUs and PSUs under the ESU Plan for a three-year performance period commencing January 1, 2020 to December 31, 2022. The effective date of the grant was January 13, 2020. Please see "Compensation Discussion and Analysis - Long-Term Incentive Plan". Based on the fair value of \$20.43 per RSU or PSU on January 13, 2020, the date the awards were granted. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$20.43 per Common Share. For financial reporting purposes, the fair value of each RSU is \$20.43, and the fair value for each PSU is \$28.27 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.  
On June 11, 2020, in connection with her promotion to CEO, Ms. Kuzenko was awarded a combination of 35,692 PSUs and 23,794 RSUs. The PSUs were granted in respect of the 2018 – 2020, 2019 – 2021, and 2020 – 2022 performance periods, with the number of PSUs granted adjusted rateably to reflect the amount of time remaining in each of the three performance periods, as of Ms. Kuzenko's promotion date. The RSUs were granted to preserve the same 60%/40% allocation between PSUs and RSUs that is used in the regular LTIP program, for each of the three PSU award tranches. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$17.88 per Common Share. For financial reporting purposes, the fair value of each RSU is \$17.88. The fair value for the PSUs for the 2018 – 2020, 2019 – 2021, and 2020 – 2022 performance periods are \$15.15, \$21.66, and \$22.62 respectively, which are estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.
- (5) LTIP compensation awards for 2019 of RSUs and PSUs under the ESU Plan for a three-year performance period commencing January 1, 2019 to December 31, 2021. The effective date of the grant was January 24, 2019. Please see "Compensation Discussion and Analysis -

Long-Term Incentive Plan". Based on the fair value of \$13.89 per RSU or PSU on January 24, 2019, the date the awards were granted. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$13.89 per Common Share. For financial reporting purposes, the fair value of each RSU is \$13.89, and the fair value for each PSU is \$20.84 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.

In connection with his hiring, Mr. Murphy was awarded 5,825 PSUs and 3,883 RSUs. These awards were granted on January 13, 2020 in respect of his hiring on October 9, 2019. The PSUs were granted in respect of the 2017 – 2019, 2018 – 2020, and 2019 – 2021 performance periods, with the number of PSUs granted adjusted rateably to reflect the amount of time remaining in each of the three performance periods. The RSUs were granted to preserve the same 60%/40% allocation between PSUs and RSUs that is used in the regular LTIP program, for each of the three PSU award tranches. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$20.43 per Common Share. For financial reporting purposes, the fair value of each RSU is \$17.88. The fair value for the PSUs for the 2017 – 2019, 2018 – 2020, and 2019 – 2021 performance periods are \$18.28, \$21.33, and \$29.24 respectively, which are estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.

- (6) LTIP compensation awards for 2018 of RSUs and PSUs under the ESU Plan for a three-year performance period commencing January 1, 2018 to December 31, 2020 for NEOs other than Mr. Thomas and Ms. Kuzenko. The effective date of the grant was January 22, 2018. Please see "Compensation Discussion and Analysis - Long-Term Incentive Plan". Based on the fair value of \$12.46 per RSU or PSU on January 22, 2018, the date the awards were granted. The closing price of the Common Shares on the TSX on the grant date was \$12.46 per Common Share. For financial reporting purposes, the fair value of each RSU is \$12.46 and the fair value for each PSU is \$9.18 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.

Mr. Thomas and Ms. Kuzenko did not receive long-term awards on the same schedule as the other NEOs for 2018.

On April 2, 2018, in connection with his hiring, Mr. Thomas was awarded 95,556 PSUs and 80,385 RSUs. Of these awards, 45,512 PSUs and 30,341 RSUs were awarded for the performance period 2018 - 2020 with the same 60%/40% weighting used in the regular LTIP program for NEOs. In addition, Mr. Thomas was awarded 21,125 PSUs and 21,125 RSUs using a truncated one-year performance period through December 31, 2019 and 28,919 PSUs and 28,919 RSUs using a truncated two-year performance period through to December 31, 2019. The awards for the performance periods ending December 2018 and December 2019 are "make-whole" awards to replace a portion of the unvested equity-based compensation value that he forfeited upon leaving his prior employer. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$7.91 per Common Share. For financial reporting purposes, the fair value of each RSU is \$7.91, and the fair value for each PSU is \$9.18 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.

On November 21, 2018, in connection with her hiring, Ms. Kuzenko was awarded a combination of 35,306 PSUs and 23,538 RSUs. The PSUs were granted in respect of the 2016 – 2018, 2017 – 2019, and 2018 – 2020 performance periods, with the number of PSUs granted adjusted rateably to reflect the amount of time remaining in each of the three performance periods, as of Ms. Kuzenko's hire date. The RSUs were granted to preserve the same 60%/40% allocation between PSUs and RSUs that is used in the regular LTIP program, for each of the three PSU award tranches. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$13.89 per Common Share. For financial reporting purposes, the fair value of each RSU is \$13.89, and the fair value for each PSU is \$9.18 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility and risk free interest rate.

- (7) All other compensation includes a car allowance of \$12,000 per year for Mr. Stanford (prorated for 2020). Each NEO is entitled to an annual health assessment; Ms. Kuzenko, Mr. Thomas, and Ms. Stephen had a health assessment in 2020, Mr. Stanford, Mr. Thomas, Ms. Kuzenko and Ms. Stephen had a health assessment in 2019, and Mr. Stanford and Ms. Stephen had a health assessment in 2018.
- (8) Ms. Kuzenko joined the Company as Chief Operating Officer on October 29, 2018 and was promoted to the role of President and Chief Executive Officer on June 17, 2020. All other compensation is the cost of travel to and accommodation in Toronto that are paid by the Company and reimbursement of taxes paid in respect of such taxable benefits.
- (9) Mr. Thomas joined the Company as Chief Financial Officer on April 2, 2018. Mr. Thomas ceased employment with the Company on December 31, 2020 (the "Termination Date"). In accordance with a separation agreement, Mr. Thomas received unpaid base salary owing and pro-rated unused vacation entitlements up to the Termination Date, an amount equal to one times his annual base salary in effect on the Termination Date, an amount equal to one times the average of his cash bonuses paid in 2019 and 2020 (in respect of 2018 and 2019) and \$10,000 for outplacement services.
- (10) Salary and annual incentive plan awards are paid in United States dollars and have been converted to Canadian dollars based on the exchange rate reported by the Bank of Canada, for December 31, 2020 of US\$1.00 = \$1.2781, December 31, 2019 of US\$1.00 = 1.3066, and December 31, 2018 of US\$1.00 = \$1.3642, as applicable.
- (11) Mr. Loyer is entitled to a housing allowance of US\$24,000 per year. Mr. Loyer participates in Torex's U.S. group benefit plans for international rotator employees and in addition the Company funds the cost of a long term disability plan. Mr. Loyer is also provided with tax equalization benefits.

## Incentive Plan Awards

### (a) Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding all incentive plan awards for each NEO outstanding as of December 31, 2020.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(3)</sup> (\$)
Fred Stanford Executive Chair	Nil	N/A	N/A	N/A	324,791	6,200,260	Nil
Jody Kuzenko President and Chief Executive Officer	Nil	N/A	N/A	N/A	183,074	3,494,883	Nil
Steven Thomas Chief Financial Officer	Nil	N/A	N/A	N/A	120,101	2,292,728	Nil
Bernie Loyer Vice President, Projects	Nil	N/A	N/A	N/A	45,077	860,520	Nil
Barry Murphy Vice President, Engineering	Nil	N/A	N/A	N/A	18,203	347,495	Nil
Anne Stephen Vice President, Human Resources and Organization Effectiveness	Nil	N/A	N/A	N/A	34,339	655,532	Nil

Notes:

- (1) Based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2020 of \$19.09.
- (2) Assuming an adjustment factor of 1.0 for the PSUs.
- (3) The value of all undistributed share based awards reflected in this column has been calculated using the market value of the Common Shares on the TSX of \$19.09 per share at December 31, 2020.

**(b) Value Vested or Earned During the Year**

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each NEO for the year ended December 31, 2020.

Name	Option-based Awards – Value vested during the year (\$)	Share-based Awards – Value vested during the year <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value earned during the year (\$)
Fred Stanford Executive Chair	Nil	774,999	361,246
Jody Kuzenko Chief Executive Officer	Nil	292,571	551,990
Steven Thomas Chief Financial Officer	Nil	969,151	187,290
Bernie Loyer, Vice President, Projects	Nil	140,226	217,025
Barry Murphy Vice President, Engineering	Nil	6,892	190,740
Anne Stephen Vice President, Human Resources and Organization Effectiveness	Nil	96,025	184,140

Notes:

(1) Based on the number of RSUs and PSUs vested during the year, multiplied by the closing price of the Common Shares on the TSX on the date prior to vesting.

**12.5 Termination and Change of Control Benefits**

The Company has entered into employment agreements with each of the NEOs, which agreements include provisions relating to: voluntary termination; death, retirement or permanent disability; termination of employment for cause; termination of employment without cause; and a Triggering Event (as defined below) following a Change of Control (as defined below) (commonly referred to as a double trigger). The terms are as follows:

**(a) Voluntary Termination by an NEO**

**Executive Chair**

Mr. Stanford may terminate his employment with the Company with three months written notice and will receive payment of any unpaid base salary, and unused vacation entitlements, owing up to the date of termination. The treatment of the PSUs and RSUs awarded to Mr. Stanford will be governed by the ESU Plan. See also “Section 15 – Compensation Securities Plans” regarding PSUs and RSUs following a voluntary termination of employment.

**Other NEOs**

Other NEOs may terminate their employment with the Company with thirty days written notice and shall receive payment of any unpaid base salary, and unused vacation entitlements, owing up to the date of termination. See also “Section 15 – Compensation Securities Plans” regarding PSUs and RSUs following a voluntary termination of employment.

Ms. Kuzenko and Mr. Murphy may also terminate their employment after giving notice to the Company of the occurrence of any of the following events (“**Good Reason**”) for which their consent was not obtained unless the Company corrects the circumstances within 30 days of receiving the notice: (a) a change in their position that materially reduces their duties, level of responsibility or level to which they report; (b) any

reduction in their base salary; or (c) any material reduction in benefits or any other form of remuneration other than as a result of the Company or the individual failing to meet performance targets and in certain other circumstances. The Company will provide the NEO with:

- unpaid base salary owing up to the date of termination and the period of notice required by the Employment Standards Act, 2000 (“**ESA**”);
- unused vacation entitlements up to the date of termination and the period of notice required by the ESA;
- conditional upon signing a full and final release (a “**Release**”) in favour of the Company:
  - continuance until the earlier of (i) 12 months (24 months in the case of Ms. Kuzenko) or (ii) when they secure another job (including employment, contract and/or other consulting work)
    - base salary in effect at the date of termination;
    - benefits coverage (excluding life insurance and disability coverage);
    - an amount equal to one times (two times in the case of Ms. Kuzenko) the average of the cash bonuses paid to the NEO for the two most recently completed years, provided that if termination occurs prior to the completion of two years of employment in the NEO’s position, the amount will be one times the cash bonus paid to the NEO (in the case of Ms. Kuzenko, two times), and provided further, that if termination occurs prior to the completion of the first year, the amount will be one times the NEO’s current year’s targeted cash bonus (in the case of Ms. Kuzenko, two times);
  - PSUs and RSUs awarded to the NEO will be governed by the ESU Plan.
- if a Release is not signed, the NEO will receive payment lieu of notice, and severance pay (if applicable), in accordance with minimum requirements under the ESA (collectively, “**Statutory Termination Payments**”) and continuation of all benefits coverage for the period of notice required by the ESA with the NEO remaining eligible to collect disability benefits for such longer period as determined by the Company’s insurer in accordance with the insurance policy.

The employment contracts of Messrs. Thomas and Loyer and Ms. Stephen were entered into prior to October 2018 and the terms of executive contracts prior to that time are different in some respects, including the termination provisions.

Events constituting Good Reason under the employment agreements for Mr. Thomas and Ms. Stephen are: (a) being relieved of their duties (for reasons other than termination for cause or termination for disability/death/retirement) or a material change in their duties; (b) any reduction in their salary or any material reduction in benefits or any other form of remuneration, other than in certain circumstances where the Board has reserved its right to exercise discretion; or (c) any material breach by the Company of any material provisions of their employment agreement. If Mr. Thomas terminated or Ms. Stephen terminates their employment on 30 days notice to the Company within 180 days of the occurrence of any Good Reason, they would receive:

- unpaid base salary owing up to the date of termination;
- unused vacation entitlements up to the date of termination;
- conditional upon signing a Release in favour of the Company:
  - an amount equal to one times the NEO’s annual base salary in effect at the date such notice of termination is given;

- an amount equal to one times the average of the cash bonuses paid to the NEO for the two most recently completed years;
  - continuation of benefits until the earlier of (i) one year and (ii) the date the NEO starts full time comparable employment with a new employer; and
  - any unvested options previously granted shall continue to vest for a period of six months subsequent to any notice of resignation given by the NEO or notice of termination.
- if a Release is not signed, no amounts in excess of Statutory Termination Payments would be payable to the NEO.

None of the NEOs have unvested options or RSUs under the Stock Option Plan and RSU Plan. See also “Section 15 – Compensation Securities Plans” regarding PSUs and RSUs following termination of employment without cause or circumstances constituting constructive termination.

**(b) Termination by the Company for Disability/Death/Retirement**

**Executive Chair**

In the event of Mr. Stanford is unable to adequately fulfill his duties due to permanent disability, the employment agreement will be deemed to be terminated, and he would receive unpaid salary and unused vacation entitlements until the permanent disability, including any applicable waiting period if he is approved for disability benefits.

In the event of Mr. Stanford’s death, the employment agreement would terminate immediately and his estate would receive unpaid salary and unused vacation entitlements to the date of termination.

The treatment of the PSUs and RSUs awarded to Mr. Stanford in each case will be governed by the ESU Plan.

**Other NEOs**

The employment of Ms. Kuzenko, Mr. Murphy and Mr. Thomas would automatically terminate, without notice or severance, upon the death the NEO.

The employment of Ms. Kuzenko, Mr. Murphy and Mr. Thomas will automatically terminate due to permanent disability. In such circumstances, the NEO would receive unpaid salary and unused vacation entitlements through to the date of termination and period of notice under the ESA, Statutory Termination Payments, and continuation of benefits for the period of notice under the ESA and disability benefits as determined by the Company’s insurer in accordance with the Company’s insurance policy.

The employment of Mr. Loyer and Ms. Stephen would automatically terminate in the event of death or permanent disability. In such circumstances, the NEO would be entitled to: unpaid salary owing and unused vacation entitlements up to the date of termination; in lieu of their annual bonus for the year in which termination of employment occurs, a lump sum payment in an amount equal to the average of the cash bonuses paid to the NEO for the two most recently completed years; and, any unvested options previously

granted shall continue to vest and be exercisable as provided for in the Stock Option Plan. None of the NEOs have unvested options under the Stock Option Plan.

Upon retirement, NEOs are not entitled to notice or pay in lieu of notice. The Company does not have any retirement policy.

See also “Section 15 – Compensation Securities Plans” regarding PSUs and RSUs following termination of employment for death, disability or retirement.

**(c) Termination for Cause**

The Company may terminate a NEO’s employment for cause without payment in lieu of notice or severance. In the event of termination for cause, a NEO will receive payment of unpaid salary and unused vacation entitlements up to the date of termination.

In accordance with the ESU Plan, all outstanding PSUs and RSUs held by the NEO will be forfeited.

**(d) Termination without Cause or Triggering Event following Change of Control**

**Executive Chair**

In the event that Mr. Stanford’s employment is terminated without cause, he would be entitled to unpaid salary and unused vacation entitlements to the date of termination, Statutory Termination Payments, continuation of benefits as required under the ESA for the statutory notice period, and any other minimum entitlements under the ESA. The treatment of the PSUs and RSUs awarded to Mr. Stanford in each case will be governed by the ESU Plan.

There is no Change of Control (as defined below) provision in Mr. Stanford’s employment agreement.

**Other NEOs**

The summary below outlines the compensation payable to NEOs in the event of:

- termination of employment by the Company without cause, or, the resignation by the NEO after giving notice to the Company of any of the following for which their consent was not obtained unless, the Company corrects the circumstances within 30 days of receiving the notice (a) a material reduction of the NEO’s duties, level of responsibility or reporting level, (b) any reduction of base salary, (c) any material reduction of benefits or other remuneration (other than discretionary benefits or remuneration such as bonuses, equity compensation grants) or (d) in the case of Messrs. Thomas, Loyer and Ms. Stephen, relocation of the principal office of the NEO that increases the NEO’s commute above a specified threshold or outside of a specified geographic area (each, including termination of employment without cause, a “**Triggering Event**”); and
- a Triggering Event occurring within a specified period (the “**Specified Period**”, 12 months for Ms. Kuzenko and Mr. Murphy; 24 months for Messrs. Thomas and Loyer and Ms. Stephen) of the change of control of the Company (a “**Change of Control**”).

A Change of Control is deemed to occur upon:

- a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company and another corporation or by any person and its joint actors and affiliates (collectively, a “**Group**”), as such terms are used or defined in the *Securities Act* (Ontario), and whether directly or indirectly, resulting in the acquisition of the Common Shares which, when added

to all other Common Shares at the time held by such corporation or person and its joint actors and affiliates, totals for the first time 40% of the outstanding Common Shares; or

- any person or Group acting jointly or in concert succeeding in having a sufficient number of its nominees elected to the Board such that such nominees, when added to any existing director remaining on the Board after such election who can be considered to be a nominee of such person or Group, will constitute the majority of the Board; or
- the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

The provisions in place for the NEOs upon a Triggering Event provide for the NEO to receive:

- in the case of Ms. Kuzenko, Mr. Murphy, Ms. Stephen and Mr. Thomas, the same amounts payable and provision of benefits upon a termination by the NEO for Good Reason (see “Voluntary Termination” above);
- in the case of Mr. Loyer: unpaid salary owing up to the date of termination; unused vacation entitlements up to the date of termination; an amount equal to 12 months salary plus one month per completed year of service to a maximum of 24 months; an amount equal to one times the average of the cash bonuses paid to Mr. Loyer for the two most recently completed years; and continued health coverage for 12 months.
- other than Mr. Loyer, at the request of the NEO, the Company shall provide outplacement services.

If a Triggering Event occurs within the Specified Period (see above) following a Change of Control (being a **double trigger**, a Change of Control and a Triggering Event):

- in the case of Mr. Loyer, the amount payable in respect of salary will be limited to the equivalent of 12 months salary;
- all options that have been granted to the NEO and all RSUs granted under the RSU Plan, prior to the Change of Control shall automatically vest and if not yet exercised, shall continue to be exercisable by the NEO in the same manner and on the same terms that existed prior to the actual notice of termination;
- under the ESU Plan, any surviving, successor or acquiring company (“**AcquireCo**”) shall assume any outstanding RSUs and PSUs (the “**Share Units**”) or substitute similar share units for the outstanding Share Units. If the ESU Plan remains or is assumed by AcquireCo:
  - all of the Share Units and related dividend share units will vest immediately prior to the NEO’s termination date; and
  - the PSUs will vest using an adjustment factor determined by the Board, based on performance to the end of the year prior to the holder’s termination date, however, if the performance period for the vested PSUs commenced less than one year prior to the NEO’s termination date, the PSUs will be redeemed using an adjustment factor of 1.0.

If AcquireCo does not assume the outstanding Share Units under the ESU Plan or substitute similar share units for the outstanding Share Units, or if the Board otherwise determines in its sole discretion: (a) the ESU Plan will be terminated effective immediately prior to the Change of Control (the Company shall give written notice to all participants of the ESU Plan advising of such termination); (b) all RSUs will vest and shall be redeemed as of the termination date of the ESU Plan; and (c) the Board will determine the number of PSUs

that will vest using an adjustment factor determined in the discretion of the Board and all vested PSUs will be redeemed as of the termination date of the ESU Plan.

The following are the estimated incremental payments, payables and benefits, to an NEO assuming termination without cause by the Company, or by the NEO for Good Reason, as applicable, on December 31, 2020:

Name	Aggregate base salary (\$)	Aggregate bonus (\$)	RSUs/ PSUs <sup>(1)(2)</sup> (\$)	Accrued vacation entitlements (\$)	Total (\$)
Fred Stanford	Note (3)	Nil	Nil	278,116	278,116
Jody Kuzenko	1,260,400	873,268	Nil	46,056	2,179,724
Steven Thomas <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A
Bernie Loyer <sup>(5)</sup>	614,904	214,881	Nil	127,604	957,388
Barry Murphy	346,800	39,123	Nil	9,338	395,261
Anne Stephen	334,800	178,903	Nil	41,216	554,919

The following are the estimated incremental payments, payables and benefits, assuming a Triggering Event took place on December 31, 2020 which was within the Specified Period of a Change of Control:

Name	Aggregate base salary (\$)	Aggregate bonus (\$)	RSUs/ PSUs <sup>(1)(2)</sup> (\$)	Accrued vacation entitlements (\$)	Total (\$)
Fred Stanford	Note (3)	Nil	6,200,260	278,116	6,478,376
Jody Kuzenko	1,260,400	873,268	3,494,883	46,056	5,674,607
Steven Thomas <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A
Bernie Loyer <sup>(5)</sup>	434,050	214,881	860,520	127,604	1,637,054
Barry Murphy	346,800	39,123	347,495	9,338	742,756
Anne Stephen	334,800	178,903	655,532	41,216	1,210,451

Notes:

- (1) Under a Termination without Cause, an NEO retains the pro-rata number of RSUs and PSUs based on the number of completed months in the grant term and performance period respectively, applicable to any outstanding grants and forfeits the remaining number of units.
- (2) Based on the closing price of the Common Shares on the TSX on December 31, 2020 of \$19.09. Assuming an adjustment factor of 1.0 for the PSUs.
- (3) Based on Mr. Stanford's employment contract as Executive Chair, the aggregate base salary payable would be the minimum entitlement under the ESA.
- (4) Mr. Thomas ceased employment with the Company on December 31, 2020 (the "Termination Date"). In accordance with a separation agreement, Mr. Thomas received unpaid base salary owing and pro-rated unused vacation entitlements up to the Termination Date, an amount equal to one times his annual base salary in effect on the Termination Date, an amount equal to one times the average of his cash bonuses paid in 2019 and 2020 (in respect of 2018 and 2019), a cash bonus in respect of 2020 of \$187,290, and \$10,000 for outplacement services.
- (5) Salary and annual incentive plan awards are paid in United States dollars. Figures have been converted to Canadian dollars based on the exchange rate for December 31, 2020, as reported by the Bank of Canada, of US\$1.00 = \$1.2781.

## 12.6 Director Compensation

### (a) Approach to Director Compensation

The purpose of the Company's compensation program for non-employee Directors is to recruit and retain qualified individuals to oversee the Company's business on behalf of shareholders and make meaningful contributions to its success.

Director Compensation is generally reviewed every other year; the last review was in 2019. In 2020, with assistance from Meridian, the Compensation Committee made one change to the Director pay program, introducing an additional retainer for service as the Board's Lead Director. Further, with the change in Mr. Stanford's role in 2020, Torex no longer has a non-executive Chair of the Board, but the additional elements of pay for that role are included below.

### (b) Elements of the Director Pay Program

Compensation for non-executive Directors is paid in Canadian dollars and has the following components:

- An annual cash retainer for Board service (the Non-Executive Board Chair and the Lead Director receive additional retainers if applicable)
- An additional retainer for chairing a Board committee
- An annual equity retainer, delivered as a combination of stock options and RSUs
- A meeting fee for each Board and committee meeting attended
- Other compensation as noted in the table below

The table below summarizes the current dollar value of these pay elements:

Compensation Element	Value
Annual Cash Retainer (not applicable for Executive Chair)	\$75,000
Executive Chair (if applicable) Annual Cash Retainer	Nil
Non-Executive Board Chair (if applicable) Additional Annual Cash Retainer	\$100,000
Lead Director (if applicable) Additional Annual Cash Retainer	\$45,000
Committee Chair Retainers:	
• Audit Committee	\$20,000
• Compensation Committee	\$15,000
• Corporate Governance and Nominating Committee	\$15,000
• Safety and Corporate Social Responsibility Committee	\$15,000
• Technical Committee	\$15,000
Meeting Fees	\$1,000/meeting
Equity-Linked Compensation (stock options and RSUs)	\$150,000
Other Compensation <sup>(1)</sup>	\$2,000 (approx.)

Notes:

(1) "Other Compensation" refers to a health assessment that each director is entitled to receive.

Each non-executive Director may elect to allocate equity-linked compensation across stock options and RSUs, to a maximum \$100,000 by grant-date value that may be allocated to stock options. Equity awards to Directors are made under the Company's Stock Option Plan and RSU plan. Please see "Stock Option Plan" on page 74 and "RSU Plan" on page 75 for more details on the respective plans.

Equity awards made to non-executive Directors vest on the day they are granted.

Torex also reimburses Directors for their travel and other expenses incurred for their attendance at Board and committee meetings.

Directors who are also employees of the Company (i.e., the Executive Chair and the CEO) are not compensated for their service as Directors.

**(c) Director Summary Compensation Table**

The following table provides information regarding compensation earned by each non-executive Director for the year ended December 31, 2020.

Name (Non-Executive Directors) <sup>(1)</sup>	Fees earned (\$)	Share- based awards <sup>(2)</sup> (\$)	Option- based incentive plan awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation <sup>(3)</sup> (\$)	Total (\$)
Andrew Adams	119,000	150,000	—	Nil	N/A	2,380	271,380
Robin Bienenstock	56,885	54,247	27,123	Nil	N/A	Nil	138,255
James Crombie	52,500	150,000	—	Nil	N/A	Nil	202,500
Frank Davis	112,938	150,000	—	Nil	N/A	Nil	262,938
David Fennell	105,500	150,000	—	Nil	N/A	Nil	255,500
Rick Howes	82,115	81,370	—	Nil	N/A	Nil	163,485
A. Terrance MacGibbon	95,500	150,000	—	Nil	N/A	2,380	247,880
Michael Murphy	104,500	150,000	—	Nil	N/A	3,775	258,275
William Shaver	57,000	150,000	—	Nil	N/A	Nil	207,000
Roy Slack	55,885	—	81,370	Nil	N/A	Nil	137,255
Elizabeth Wademan	108,500	125,000	25,000	Nil	N/A	Nil	258,500

Notes:

- (1) No compensation was paid to Mr. Stanford or Ms. Kuzenko in their capacity as a Director of the Company. For a summary of the compensation paid to Mr. Stanford or Ms. Kuzenko in their capacity as an executive officer of the Company, see "Summary Compensation Table", on page 58.
- (2) The fair value of the options was estimated using a Black Scholes valuation model and the RSUs are valued based on the market price at the time of the grant. The closing price of the Common Shares on the TSX on the business day immediately preceding January 13, 2020, the grant date, was \$20.43 per Common Share.
- (3) "Other Compensation" refers to a health assessment that each Director is entitled to receive.

**(d) Director Equity Allocations**

Name (Non-Executive Directors)	Total Equity Value (\$)	RSU Allocation (\$)	RSUs <sup>(1)</sup> (#)	Option Allocation (\$)	Options <sup>(2)</sup> (#)
Andrew Adams	150,000	150,000	7,342	—	—
Robin Bienenstock	81,370	54,247	3,007	27,123	3,501
James Crombie	150,000	150,000	7,342	—	—
Frank Davis	150,000	150,000	7,342	—	—
David Fennell	150,000	150,000	7,342	—	—
Rick Howes	81,370	81,370	4,511	—	—
A. Terrance MacGibbon	150,000	150,000	7,342	—	—
Michael Murphy	150,000	150,000	7,342	—	—
William Shaver	150,000	150,000	7,342	—	—
Roy Slack	81,370	—	—	81,370	10,503
Elizabeth Wademan	150,000	125,000	6,118	25,000	3,234

Notes:

- (1) Based on the fair value of \$20.43 per RSU on the date of grant for awards to Directors, other than Robin Bienenstock, Rick Howes and Roy Slack. The closing price of the Common Shares on the TSX on the business day immediately preceding January 13, 2020, the grant date, was \$20.43 per Common Share.
- (2) Based on the fair value of \$7.73 per option which is estimated using a Black Scholes model, other than the options granted to Robin Bienenstock and Roy Slack. Assumptions included a volatility of 50% and a simplified expected life of 3.5 years. The closing price of the Common Shares on the TSX on the business day immediately preceding January 13, 2020, the grant date, was \$20.43 per Common Share.

(3) Robin Bienenstock, Rick Howes and Roy Slack were elected to the Board on June 17, 2020, and received equity compensation pro-rated for their service in 2020. The RSUs awarded are based on the fair value of \$18.04 per RSU on the date of grant for awards to the new Directors. The options awarded are based on the fair value of \$7.75 per option which is estimated using a Black Scholes model. Assumptions included a volatility of 60% and a simplified expected life of 3.5 years. The closing price of the Common Shares on the TSX on the business day immediately preceding June 17, 2020, the grant date, was \$18.04 per Common Share.

**(e) Outstanding Option-Based and Share-Based Awards and Value Vested During the Year**

The following table shows all option-based and share-based awards outstanding as at December 31, 2020 for the non-executive Directors. The table also provides the value of share-based awards vested in the year ended December 31, 2020.

Name	Option-based Awards <sup>(1)</sup>				Share-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(4)</sup> (\$)	Value of RSUs vested during the year <sup>(5)</sup> (\$)
Andrew Adams	20,223	12.46	22-Jan-23	134,078	Nil	Nil	575,468	150,000
	10,342	27.22	11-Jan-22	Nil				
	12,480	20.40	16-May-21	Nil				
	18,953	13.50	1-Feb-21	105,947				
Robin Bienenstock	3,501	18.04	17-Jun-25	3,676	Nil	Nil	57,404	54,247
James Crombie	20,223	12.46	17-Jun-21	134,078	Nil	Nil	308,380	150,000
	8,352	13.89	17-Jun-21	43,430				
	10,342	27.22	17-Jun-21	Nil				
Frank Davis	6,240	20.40	16-May-21	Nil	Nil	Nil	245,364	150,000
David Fennell	7,756	27.22	11-Jan-22	Nil	Nil	Nil	Nil	150,000
	9,360	20.40	16-May-21	Nil				
Rick Howes	Nil	N/A	N/A	N/A	Nil	Nil	86,115	81,370
A. Terrance MacGibbon	Nil	N/A	N/A	N/A	Nil	Nil	Nil	150,000
Michael Murphy	20,223	12.46	22-Jan-23	134,078	Nil	Nil	320,044	150,000
	7,756	27.22	11-Jan-22	Nil				
William Shaver	10,112	12.46	17-Jun-21	67,043	Nil	Nil	430,804	150,000
	8,352	13.89	17-Jun-21	43,430				
	5,171	27.22	17-Jun-21	Nil				
	5,002	32.02	17-Jun-21	Nil				
Roy Slack	10,503	18.04	17-Jun-25	11,028	Nil	Nil	Nil	Nil
Elizabeth Wademan	3,234	20.43	13-Jan-25	Nil	Nil	Nil	491,148	125,000
	4,176	13.89	24-Jan-24	21,715				
	15,167	12.46	22-Jan-23	100,557				
	2,585	27.22	11-Jan-22	Nil				
	5,002	32.02	15-Aug-21	Nil				

Notes:

- (1) "Value of options vested during the year" is calculated by multiplying the total number of options vested during the year by the difference between the market price of the Common Shares on the TSX on the date of vesting and the exercise price of such options. As the stock options vest on the date of grant, and the exercise price is the closing price of the Common Shares on the TSX on the business day immediately preceding the grant date, the value of the stock options is 'nil'. Using a Black Scholes model, the fair value per option granted on January 13, 2020, is \$7.73. Assumptions included an assumed volatility of 50% and a simplified expected life of 3.5 years. May differ from accounting valuation for financial statement purposes. The closing price of the Common Shares on the TSX on the business day immediately preceding January 13, 2020, the grant date, was \$20.43 per Common Share.  
Robin Bienenstock, Rick Howes and Roy Slack were elected to the Board on June 17, 2020, and received equity compensation pro-rated for their service in 2020. The options awarded to Robin Bienenstock, Rick Howes, and Roy Slack on June 17, 2020 are based on the fair value of \$7.75 per option which is estimated using a Black Scholes model. Assumptions included a volatility of 60% and a simplified expected life of 3.5 years. The closing price of the Common Shares on the TSX on the business day immediately preceding June 17, 2020, the grant date, was \$18.04 per Common Share.
- (2) Based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2020 of \$19.09.
- (3) All RSUs granted to non-executive directors have vested.
- (4) The value of all undistributed share based awards reflected in this column has been calculated using the market value of the Common Shares on the TSX of \$19.09 per share at December 31, 2020.
- (5) "Value of RSUs vested during the year" is calculated by multiplying the total number of RSUs vested during the year by the market price of the Common Shares on the TSX on the business day immediately preceding the vesting date.

See also "Section 10 – Information about Director Nominees – Director Profiles" for additional information on Common Share and RSU holdings.

### 13. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2020. A description of the significant terms of each of the equity compensation plans of the Company follows the table below:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights <sup>(1)</sup>	Weighted-average price of outstanding options and rights <sup>(2)</sup> (\$)	Number of securities remaining available for future issuance under equity compensation plans <sup>(3) (4)</sup>
Equity compensation plans approved by securityholders	1,358,357	\$17.93 for options N/A for RSUs and PSUs	4,286,693
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	1,358,357		4,286,693

Notes:

- (1) Represents the number of Common Shares reserved for issuance upon redemption of 598,328 outstanding PSUs and 398,876 outstanding RSUs under the ESU Plan, 131,730 outstanding RSUs under the RSU Plan and exercise of 229,423 outstanding options under the Stock Option Plan. Assumes an adjustment factor of 1.0 for PSUs issued under the ESU Plan.
- (2) The weighted average exercise price for all outstanding options and rights is the weighted average exercise price of the Options outstanding under the Stock Option Plan. There is no exercise price associated with the PSUs and RSUs under the ESU Plan or the RSUs under the RSU Plan.
- (3) Based on the maximum aggregate number of Common Shares that were available for issuance under the ESU Plan, Stock Option Plan and the RSU Plan, collectively, as at December 31, 2020 of 5,645,050 (which maximum reserve is based on 6.6% of the number of issued and outstanding Common Shares as at December 31, 2020 of 85,531,067).
- (4) Represents approximately 5.0% of the issued and outstanding Common Shares as at December 31, 2020, on a non-diluted basis.

## 14. BURN RATE

Plan Category	2020	2019	2018
Stock Option Plan Grants	17,238	37,584	126,394
RSU Plan Grants	65,030	70,193	46,149
ESU Plan Grants <sup>(2)</sup>			
• RSUs	140,487	161,943	224,273
• PSUs <sup>(2)</sup>	210,734	242,914	311,385
Total Securities Granted	433,489	512,634	708,201
Basic Weighted Average Shares Outstanding	85,505,801	85,262,388	84,365,072
Burn Rate – Stock Option Plan Grants	0.02%	0.04%	0.15%
Burn Rate – RSU Plan Grants	0.08%	0.08%	0.05%
Burn Rate – ESU Plan Grants	0.41%	0.47%	0.63%

*Notes:*

(1) The adjustment factor is up to 2.0 on the PSUs. The burn rate is based on an adjustment factor of 1.0.

## 15. COMPENSATION SECURITIES PLANS

### 15.1 ESU Plan

In 2016, shareholders approved the ESU Plan pursuant to which the Board may, from time to time, determine those eligible employees and officers of the Company (an “**Eligible Person**”) who will receive a grant of restricted share units (“**Restricted Units**”) and/or performance share units (“**PSUs**”, together with Restricted Units, are collectively referred to as “**Share Units**”). The purpose of the ESU Plan is to provide a meaningful incentive to achieving the Company’s annual operational objectives, and other short term needs, through decisions that are consistent with creating long term value to support the Company’s share price.

The ESU Plan is administered by the Compensation Committee (provided the Board has delegated the administration to such committee). Any decision of the Compensation Committee with respect to the administration and interpretation of the ESU Plan will be conclusive and binding on the ESU Participants (as defined below). The Board may award Share Units to any Eligible Person (an “**ESU Participant**”) in its sole discretion. Non-executive Directors of the Company are not eligible to participate in the ESU Plan. Each Share Unit granted to an ESU Participant under the ESU Plan will be credited to the ESU Participant’s share unit account. Rights respecting Share Units are not transferable or assignable other than by will or the laws of descent and distribution. Each Share Unit will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided for in the ESU Plan or is determined by the Board, conditional on the satisfaction of any additional vesting conditions established by the Board.

Pursuant to the terms of the ESU Plan (as amended in 2019): (a) the number of Common Shares reserved for issuance pursuant to Share Units and all other Share Compensation Arrangements, at any time, may not exceed 6.6% of the total number of Common Shares then outstanding; (b) the aggregate number of Common Shares issuable to insiders pursuant to Share Units and all other Share Compensation Arrangements, at any time, may not exceed 6.6% of the total number of Common Shares then outstanding; and (c) the aggregate number of Common Shares issued to insiders pursuant to Share Units and all other Share Compensation Arrangements, in respect of a one year period, may not exceed 6.6% of the total number of Common Shares then outstanding. “**Share Compensation Arrangements**” for these purposes means the ESU Plan and any other security-based compensation arrangements implemented by the Company including stock option plans, employee stock purchase plans, share distribution plans, stock

appreciation right plans, restricted share plans or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, pre-existing or otherwise.

**“Market Value”** for these purposes means the closing trading price of the Common Shares on the TSX, or such other stock exchange on which the Common Shares are then listed, on the trading day immediately preceding the date as at which Market Value is determined. ESU Participants may elect at any time to redeem vested Share Units on any date or dates after the date the Share Units become vested and on or before the expiry date, subject to extension in the case of a blackout period (unless the ESU Participant elects to redeem the Share Units on the condition that they receive the Share Unit Amount (as defined below)). An ESU Participant who does not elect an early redemption date as specified under the ESU Plan will have vested Share Units redeemed on their expiry date. The expiry date for Share Units will be determined by the Board for each applicable grant.

The Company will redeem each Share Unit elected to be redeemed by an ESU Participant on the applicable redemption date by:

- issuing to the ESU Participant the number of Common Shares equal to one Common Share for each whole vested Share Unit elected to be redeemed and delivering either (i) such number of Common Shares less the number of Common Shares with a Market Value equal to the amount of all income taxes and statutory amounts required to be withheld (**“Applicable Withholdings”**), or (ii) subject to the consent of the Company, such number of Common Shares, provided the ESU Participant has provided for payment to the Company of all or a portion of the amount equal to the Applicable Withholdings;
- at the election of the ESU Participant and subject to the consent of the Company, paying the ESU Participant an amount in cash (the **“Share Unit Amount”**) equal to: (i) the number of vested Share Units elected to be redeemed multiplied by (ii) the Market Value minus (iii) Applicable Withholdings; or
- at the election of the ESU Participant, a combination of Common Shares and cash, subject to the consent of the Company.

Rights respecting Share Units and Dividend Share Units (as defined in the ESU Plan) are not transferable or assignable other than by will or the laws of descent and distribution. No financial assistance will be provided by the Company to any ESU Participant in connection with any award of Share Units.

Each Restricted Unit will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided for in the ESU Plan or is determined by the Board, conditional on the satisfaction of any additional vesting conditions established by the Board. Each PSU will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided in the ESU Plan or is determined by the Board, conditional on the satisfaction of any additional vesting conditions established by the Board. The number of PSUs that will vest on a vesting date will be the number of PSUs and Dividend PSUs scheduled to vest on such vesting date multiplied by the applicable adjustment factor. The adjustment factor will be determined based on the Company’s market performance, as described in the applicable grant agreement.

Under the ESU Plan, Common Shares reserved for issuance pursuant to Share Units that are surrendered, terminated or cancelled without having been redeemed will again be available for issuance under the ESU Plan (and other Share Compensation Arrangements) and Common Shares underlying Share Units that are redeemed for cash will not again be available for issuance under the ESU Plan.

If an ESU Participant's employment is terminated by the Company for cause, the ESU Participant will forfeit all rights, title and interest with respect to Share Units and the related Dividend Share Units, including Vested Share Units.

If an ESU Participant's employment is terminated by the Company without cause or the ESU Participant resigns, a pro rata portion of the ESU Participant's unvested PSUs and Dividend PSUs will vest immediately prior to the ESU Participant's termination date, based on the number of complete months from the first day of the performance period to the applicable termination date divided by the number of months in the performance period. However, the vested PSUs will not be redeemed until the end of the performance period based on the adjustment factor applicable to the performance period. Similarly, if the ESU Participant's employment is terminated by the Company without cause, a pro rata portion of the ESU Participant's unvested Restricted Units and Dividend RSUs will vest immediately prior to the ESU Participant's termination date, based on the number of months from the first day of the grant term to the termination date divided by the number of months in the grant term. The ESU Participant's vested Restricted Units will be redeemed at the end of the grant term.

If an ESU Participant's employment is terminated by the disability of the ESU Participant, a *pro rata* portion of the ESU Participant's PSUs and Restricted Units and related Dividend PSUs and Dividend Restricted Units, as applicable, will vest immediately prior to the date of such event. For PSUs, the *pro rata* portion will be based on the number of complete months from the first day of the performance period to the date of the ESU Participant's disability divided by the number of months in the performance period. The ESU Participant's vested PSUs will be redeemed at the end of the performance period based on the adjustment factor applicable to the performance period. For Restricted Units, the *pro rata* portion will be based on the number of complete months from the first day of the grant term to the date of the ESU Participant's disability divided by the number of months in the grant term. The ESU Participant's vested Restricted Units will be redeemed at the end of the grant term.

If an ESU Participant's employment is terminated by the death of the ESU Participant, a *pro rata* portion of the ESU Participant's PSUs and Restricted Units and related Dividend PSUs and Dividend Restricted Units, as applicable, will vest immediately prior to the date of death. For PSUs, the *pro rata* portion will be based on the number of complete months from the first day of the performance period to the date of the ESU Participant's death divided by the number of months in the performance period. The ESU Participant's vested PSUs will be redeemed as soon as practical following the date of the ESU Participant's death using the adjustment factor determined by the Board, which will be based on performance to the end of the year prior to the ESU Participant's date of death, provided that if the performance period for the vested PSUs commenced less than one year prior to the ESU Participant's date of death, the PSUs will be redeemed using an adjustment factor of 1.0. For Restricted Units, the *pro rata* portion will be based on the number of complete months from the first day of the grant term to the date of the ESU Participant's death divided by the number of months in the grant term. The ESU Participant's vested Restricted Units will be redeemed as soon as practical following the date of the ESU Participant's death.

If the employment of an ESU Participant is terminated by the Company without cause or if the ESU Participant resigns in circumstances constituting constructive termination, in each case, within 24 months following a Change of Control (as such term is defined under the ESU Plan) which includes, among other things the acquisition of 40% or more of the Common Shares, or the election of a number of nominees to the Board that constitute a majority of the Board, all of the ESU Participant's Share Units and related Dividend Share Units as applicable will vest immediately prior to the ESU Participant's termination date. The PSUs will vest using an adjustment factor determined by the Board, which will be based on performance to the end of the year prior to the ESU Participant's termination date, provided that if the

performance period for the vested PSUs commenced less than one year prior to the ESU Participant's termination date, the PSUs will be redeemed using an adjustment factor of 1.0.

The Board may amend, suspend or terminate the ESU Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of shareholders or any governmental or regulatory body. The Board may make a number of amendments to the ESU Plan without seeking shareholder approval, as further set out in the ESU Plan. The Board may amend or modify any outstanding Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended.

As at May 18, 2021, there were 352,784 Restricted Units and 529,179 PSUs outstanding under the ESU Plan.

## 15.2 Stock Option Plan

The purpose of the Stock Option Plan is to secure for the Company and the Company's shareholders the benefits of incentives inherent in share ownership by Directors, key employees and consultants of the Company who, in the judgment of the Board, will be largely responsible for its future growth and success.

The Stock Option Plan provides that options to purchase Common Shares may be granted to Directors, key employees or consultants of the Company or a subsidiary of the Company, as determined by the Board or a committee thereof, at a price to be fixed by the Board, but, in any event, shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the day of the grant of the option. The Common Shares subject to each option shall become purchasable at such time or times as may be determined by the Board and each option shall expire at a date determined by the Board, but in no case will such date be more than five years from the date of grant of the option. Any Common Shares not purchased by exercise of an option prior to the expiry date of the option may thereafter be reallocated in accordance with the provisions of the Stock Option Plan.

The Stock Option Plan further provides that if an optionee ceases to be employed or ceases to be a Director while holding an option which has not been fully exercised, such optionee may exercise the option, to the extent that the optionee is entitled to exercise the option, for up to 90 days thereafter (or such longer period as may be required by law or may be determined by the Board) or prior to the expiry date of the option, whichever is sooner. In the case of an optionee being dismissed from employment or service for cause, the option will terminate on the date of such dismissal. All options granted under the Stock Option Plan will be non-transferable and non-assignable.

Pursuant to the Stock Option Plan (as amended in 2019), the aggregate number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan, and any other Share Compensation Arrangements, may not exceed 6.6% of the issued and outstanding Common Shares from time to time. In addition, the aggregate number of options that may be granted to insiders within a one-year period under the Stock Option Plan, and any other employee-related plan of the Company, may not exceed 6.6% of the issued and outstanding Common Shares from time to time.

The Board and/or any committee of the Board to which such tasks are delegated, may modify or terminate the Stock Option Plan at any time. Subject to receipt of requisite shareholder and regulatory approval, the Board may make certain amendments to the Stock Option Plan as further set out in the Stock Option Plan.

As at May 18, 2021, there were options outstanding to purchase 243,079 Common Shares.

### 15.3 RSU Plan

In connection with the acquisition of the Morelos Gold Property, and the Board's discussions with prospective new members for the Board and management, the Board decided that it was desirable to have a broader range of incentive plans (including the RSU Plan) in place to attract, retain and motivate Directors, key employees and consultants of the Company.

The RSU Plan provides that RSUs may be granted by the Board or a committee of the Board, which administers the RSU Plan, to Directors, key employees and consultants of the Company as a discretionary payment in consideration of past or future services to the Company.

The number of RSUs awarded will be credited to the participant's account effective on the grant date of the RSUs. An RSU represents a right to receive one Common Share issued from treasury on the later of: (a) the date which is the first day after a restricted period as determined by the Compensation Committee ("**Restricted Period**"); and (b) a date determined by an eligible participant that is after the Restricted Period but is no later than the participant's retirement date or termination date (a "**Deferred Payment Date**"). Vesting for RSUs occurs on the date which is the first day after a Restricted Period. The Compensation Committee may also make the vesting of RSUs subject to performance conditions to be achieved by the Company, the participant or a class of participants. RSUs are not assignable.

Pursuant to the RSU Plan (as amended in 2019) the maximum number of Common Shares issuable to insiders, at any time, pursuant to the RSU Plan and all other Share Compensation Arrangements is 6.6% of the total number of Common Shares then outstanding. In addition, the maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the RSU Plan and any other Share Compensation Arrangements is 6.6% of the total number of Common Shares then outstanding.

The Compensation Committee may from time to time in the absolute discretion of the Compensation Committee (without shareholder approval) amend, modify and change the provisions of the RSU Plan, as further set out in the RSU Plan. However, certain amendments, modifications or changes to the provisions of the RSU Plan require approval by the shareholders of the Company. Any amendment, modification or change of any provision of the RSU Plan, shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

As at May 18, 2021 there were 158,496 RSUs outstanding under the RSU Plan.

## 16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's Directors or executive officers, nor any associate of such Director or executive officer is as at the date hereof, or has been, during the year ended December 31, 2020, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

## 17. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, nominee for election as a Director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

## 18. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Company's consolidated annual financial statements and management's discussion and analysis for the year ended December 31, 2020, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.torexgold.com](http://www.torexgold.com). Shareholders may also request these documents from the General Counsel and Corporate Secretary of the Company by phone at (416) 203-7431 or by e-mail at [Mary.Batoff@torexgold.com](mailto:Mary.Batoff@torexgold.com).

## 19. DIRECTORS' APPROVAL

The contents of the Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

**BY ORDER OF THE BOARD OF DIRECTORS**



**Jody Kuzenko**  
President and Chief Executive Officer

Toronto, Ontario  
May 18, 2021



## SCHEDULE A Mandate of the Board of Directors

### Purpose

The Board of Directors (the “**Board**”) of Torex Gold Resources Inc. (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board should manage the responsibilities and obligations set out below, either directly or through committees of the Board, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Safety and Corporate Social Responsibility Committee and the Technical Committee. The Board will, however, retain the oversight function and ultimate responsibility for the supervision of the management of the business and affairs of the Corporation.

### Composition

1. The Board should consist of individuals who possess skills and competencies in areas that are relevant to the business and affairs of the Corporation. At least two-thirds of the directors will be “independent” directors within the meaning of applicable securities laws, instruments, rules and policies and regulatory requirements (collectively “**Applicable Laws**”).
2. The directors of the Corporation will be elected at the annual meeting of the shareholders of the Corporation and shall serve until no longer than the close of the next annual meeting of shareholders, subject to re-election thereat.

### Meetings

3. The Board shall have at least four regularly scheduled meetings in each financial year of the Corporation.
4. The Chairman of the Board (the “**Chairman**”), the President and Chief Executive Officer (the “**CEO**”) and the Lead Director of the Board (the “**Lead Director**”), if any, are responsible for the agenda for each meeting of the Board. Prior to each Board meeting, the Chairman and the CEO should discuss agenda items for the meeting with the Lead Director, if any. Materials for each meeting should be distributed to the Board in advance of the meeting.
5. Directors are expected to attend at least three quarters of all meetings of the Board held in each financial year of the Corporation and to adequately review meeting materials in advance of each meeting.
6. The independent directors (in this context, meaning directors who are not also senior officers or are not independent within the meaning of Applicable Laws) should hold an *in camera* session without the non-independent directors and any senior officers present at each meeting of the Board, unless such a session is not considered necessary by the independent directors present. The Chairman, if independent, and if not independent, the Lead Director if any, should chair the *in camera* sessions.

### Board Committees

7. The Board may appoint such committees from time to time as it considers appropriate. Each permanent committee shall have a mandate that is approved by the Board, setting out the responsibilities of, and the extent of the powers delegated to, such committee by the Board.

## Responsibilities

### *Oversight of Management and the Board*

8. The Board is responsible for the appointment, and replacement, of senior officers of the Corporation. The Board should ensure that appropriate succession planning, including the appointment, training and monitoring of the senior officers and members of the Board, is in place.
9. The Board is responsible for satisfying itself as to the integrity of the CEO and the other senior officers and that the CEO and the other senior officers create a culture of integrity throughout the Corporation.
10. The Board should annually consider what additional skills and competencies would be helpful to the Board, with the Corporate Governance and Nominating Committee being responsible for identifying specific candidates for consideration for appointment to the Board.
11. If the Chairman is not independent within the meaning of Applicable Laws and a Lead Director is required, or is considered desirable by the Board, the Corporate Governance and Nominating Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for appointing the Lead Director.
12. Through the Compensation Committee, the Board should review the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and should review the compensation of the Senior Executives (as defined in the Compensation Committee Mandate) to ensure that it is competitive within the industry and that the form of compensation aligns the interests of each senior officer with those of the Corporation. Any recommended changes in the compensation of the directors and/or the compensation of the Senior Executives shall be submitted to the Board for consideration.
13. The Board should review and assess, or delegate such review and assessment to an appropriate committee of the Board, the policies (the “**Policies**”) of the Corporation previously approved by the Board, from time to time, including without limitation: (a) the Code of Conduct and Business Ethics; (b) Whistleblower Policy; (c) Disclosure Policy; (d) Insider Trading Policy; (e) Anti-Bribery and Anti-Corruption Policy; (f) Majority Voting Policy; (g) Share Ownership Policy; (h) Diversity Policy; (i) Mandatory Retirement Policy; (j) Say on Pay Advisory Vote Policy; (k) Clawback of Incentive Compensation Policy, (l) the Monetary Authority Policy; and (m) the Hedging Policy. If such review and assessment is delegated to a committee of the Board, such committee shall submit any proposed amendments to a Policy to the Board for consideration.
14. The Board should act in an advisory capacity to the senior officers of the Corporation in all matters concerning the interests and management of the Corporation.

### *Financial Matters*

15. The Board is responsible for reviewing the financial and underlying operational performance of the Corporation.
16. The Board should review and approve the annual audited financial statements, management’s discussion and analysis, press release and other financial information related to such annual audited financial statements, budgets and forecasts, annual information form and management information circular of the Corporation.

17. The Board delegates to the Audit Committee the review and approval of the quarterly unaudited financial statements, the management's discussion and analysis and press release and other financial disclosure related thereto. If requested by the Audit Committee, the Board should review and approve the quarterly unaudited financial statements and the management's discussion and analysis, press release and other financial disclosure related thereto.
18. The Board should annually review, together with the Audit Committee, the directors' and officers' third-party liability insurance, and other insurance, of the Corporation.
19. The Board, primarily through the Audit Committee, should monitor and ensure the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and the financial reporting procedures of the Corporation.
20. The Board is responsible for considering, and if established, reviewing from time to time, a dividend policy for the Corporation.

### ***Business Strategy***

21. The Board has primary responsibility for the strategic direction of the Corporation, including the long-range and short-range goals, plans and policies of the Corporation. The Board will provide advice, counsel and mentorship to the CEO with respect to matters of strategic significance and will contribute to the development of the strategic direction of the Corporation by approving, at least annually, a strategic plan and budget developed and proposed by the senior officers, subject to any changes required by the Board. The strategic plan and budget should take into account the business opportunities and business risks of the Corporation. The Board will review with the senior officers from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these factors on the strategic direction of the Corporation. The Board will review and approve the financial objectives, plans and actions of the Corporation, including significant capital allocations and expenditures.
22. The Board is responsible for ensuring that procedures are in place to appropriately manage the principal business risks of the Corporation.
23. The Board should monitor corporate performance against the approved strategic plan and budget, including assessing operating results, to evaluate whether the business of the Corporation is being appropriately managed.
24. The Board is responsible for reviewing and approving all material transactions affecting the Corporation not contemplated in the strategic plan and budget approved by the Board.

### ***Communications and Reporting to Shareholders***

25. The Board is responsible for overseeing the continuous disclosure program of the Corporation, with a view to satisfying itself that adequate procedures are in place to ensure that material information is disclosed in accordance with Applicable Laws.
26. The Board will ensure that the Corporation has a disclosure policy which includes a framework for investor relations and public disclosure.

### **Corporate Governance**

27. The Corporate Governance and Nominating Committee will recommend, and the Board will establish, the Board's approach to corporate governance.
28. The Board is responsible for assessing annually its own effectiveness in fulfilling this mandate and shall assess from time to time this mandate, as well as the mandate of each committee (considering, among other things, the recommendations of the applicable committee).
29. The Board is responsible for evaluating the relevant relationships of each independent director and is required to make an affirmative decision that any such relationship does not preclude a determination that the director is independent within the meaning of Applicable Laws.
30. The Board is responsible for ensuring the establishment of appropriate standards of corporate conduct and should ensure that adequate procedures are in place to monitor compliance with the Code of Business Conduct and Ethics of the Corporation. Only the Board may grant waivers of the Code of Business Conduct and Ethics which would be to the benefit of any director or senior officer.

### **General**

31. The Board is responsible for performing such other functions as are prescribed by law, including all Applicable Laws.
32. The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Corporation.
33. Except in exceptional circumstances, draft minutes of each meeting of the Board shall be circulated to the Board for review within 14 days of the date of such meeting.

### **Feedback**

34. The Board welcomes input and comments from shareholders of the Corporation relating to this mandate. Such input and comments may be sent to the Board at the head office address of the Corporation.

