



## HUMAN RESOURCES & COMPENSATION COMMITTEE

### CHARTER

#### I. PURPOSE AND MANDATE

The purpose of the Human Resources and Compensation Committee (the "Committee") is to assist the Board of Directors (the "Board") of Sinopec Canada and its Canadian affiliates (Sinopec Canada Energy Ltd., Sinopec Daylight Energy Ltd., SinoCanada Petroleum Corporation and 1527203 Alberta Ltd.) (collectively, "Sinopec Canada" or the "Company") in fulfilling its responsibility by reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of Sinopec Canada in the context of the budget and business plan of Sinopec Canada and any other factors the Committee considers appropriate from time to time.

#### II. MEMBERSHIP OF THE COMMITTEE

1. The Committee shall consist of not less than three directors, with at least two being independent non-management directors.
2. The Board shall appoint the Committee Chair who shall be an "independent" director within the meaning of National Instrument 52-110 - *Audit Committees* ("NI 52-110").

#### III. MANDATE AND RESPONSIBILITIES OF THE COMMITTEE

1. The Committee shall formulate and make recommendations to the Board in respect of compensation issues relating to directors, Executive Officers and employees of Sinopec Canada. "Executive Officers" means, collectively, the Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer and any Executive Vice President of the Company. Without limiting the generality of the foregoing, the Committee shall have the following duties:
  - (a) to formulate and make recommendations to the Board of Sinopec Canada in respect of compensation issues relating to directors, Executive Officers and staff of Sinopec Canada;
  - (b) to review and monitor the compensation practices of Sinopec Canada to ensure that their compensation practice in respect of the employees and Executive Officers both in terms of salaries, bonus payments and incentive based compensation facilitates the attraction and retention of a strong executive management team and employees;
  - (c) to review the establishment of performance objectives and individual KPIs for the Executive Officers at the beginning of every year and review them at year end. The Chief Executive Officer of the Company may be invited for setting and reviewing KPIs for other Executive Officers;

- (d) to review, on the direction of the Board of Sinopec Canada, the compensation and benefit package for the other Senior Management positions (with "Senior Management" meaning those individuals at a Vice President position or higher);
- (e) to review a comparison of the total remuneration and its main components of the Executive Officers of the Company with the remuneration practices of a comparator group of companies;
- (f) to review contractual terms of employment for Executive Officers and any change thereof;
- (g) to review and recommend to the Board the retainer and fees to be paid to members of the Board;
- (h) to administer the Long Term Incentive Plan approved by the Board and shareholders and any other incentive plans implemented by Sinopec Canada, in accordance with their respective terms;
- (i) to establish, if appropriate, the targets or criteria for the payment of annual short term incentive plans;
- (j) to review occasional and unbudgeted expenses related to manpower and employment matters, including but not limited to the severance payments relating to departing members of Senior Management, and any special retention bonuses or other unbudgeted payments to any employee;
- (k) to review and approve the appointment and termination of members of Senior Management;
- (l) to review and recommend to the Board succession planning for Senior Management and managers in other key positions, ensuring that it is undertaken at least on an annual basis; and
- (m) to review and make recommendations on key human resources policy and procedures, trends and organizational issues, including in respect of recruitment, performance management, training and development of management.

#### **IV. MEETINGS AND ADMINISTRATIVE MATTERS**

1. At all meetings of the Committee, every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board as set forth in the by-laws of Sinopec Canada, unless otherwise determined by the Board.
4. The Committee shall appoint a Secretary who need not to be a director but who should be familiar with human resource and compensation matters of the Corporation. The Secretary shall keep minutes of the meetings of the Committee.

5. Meetings of the Committee should be scheduled to take place at least twice per year and at such other times as the Chair of the Committee may determine.
6. Agendas, approved by the Chair, shall be circulated to Committee members along with background information at least 48 hours prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of Sinopec Canada, and any external advisors, as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.
8. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Sinopec Canada.
9. Committee meetings may be held in person, by video conference, by means of telephone or by combination of any of the foregoing.
10. The Committee shall have an in-camera session at the end of every regular meeting.
11. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.
12. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.