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# BRAMPTON BRICK LIMITED

## CHARTER OF THE COMPENSATION COMMITTEE

### **1. PURPOSE**

Appointed by and reporting to the Board of Directors (the “Board”) of Brampton Brick Limited (the “Company”), the Compensation Committee (the “Committee”) shall be responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- evaluating performance and reviewing compensation of the Chief Executive Officer (“CEO”) and other officers that report directly to the CEO (“Senior Executives”);
- recommending to the Board for approval the annual compensation and long-term compensation plans for the CEO and Senior Executives;
- reviewing directors’ fees and other compensation for Board and committee members;
- reviewing compensation disclosure in public documents, including the Company’s compensation discussion and analysis for inclusion in the Company’s Management Information Circular, in accordance with applicable rules and regulations;
- performing any other activities consistent with this Charter.

### **II. COMPOSITION OF THE COMMITTEE**

#### **2.1 MEMBERSHIP**

**a) Number of Members**

The Committee shall consist of two or more directors of the Company.

**b) Appointment of Members**

Members are appointed by the Board of Directors at the annual organizational meeting of the Board or at such other time as may be determined by the Board. Each member shall hold such position until replaced by the Board.

**c) Independence of Members**

A majority of the members of the Committee shall be independent as “independence” is defined for purposes of Board composition under applicable guidelines of the Canadian Securities Administrators.

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d) **Removal of a Member**

The members of the Committee will serve at the pleasure of the Board and may be removed or replaced at any time, with or without cause, from the Committee by a resolution of the Board.

**2.2 COMMITTEE CHAIRMAN**

a) **Board to Appoint Chairman**

The Board shall appoint the Chairman from the members of the Committee, or if the Board does not do so, the members of the Committee, by majority vote, may designate a Chairman.

b) **Chairman to be Appointed Annually**

The designation of the Committee's Chairman shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chairman is not so made, the Director who is then serving as Chairman shall continue as Chairman until his or her successor is appointed.

**2.3 REMUNERATION OF COMMITTEE MEMBERS**

Members of the Committee and the Chairman shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

**111. COMMITTEE MEETINGS**

a) **Time and Place of Meetings**

Meetings of the Committee shall be called and held at a time and place determined by the Committee. If all the directors present at or participating in a meeting consent, a director may participate in a meeting of the Committee by telephone. Notice of the time and place of each meeting of the Committee shall be provided to each member not less than 48 hours before the time when the meeting is to be held.

b) **Frequency of Committee Meetings**

The Committee shall meet at least twice in each fiscal year, or more frequently as it deems necessary, to effectively carry out its duties and responsibilities.

c) **Meeting Agendas**

The Committee Chairman shall approve an agenda in advance of each meeting and shall cause that agenda and related materials to be distributed to members.

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- d) Quorum**  
In order to transact business at a meeting of the Committee not less than a majority of its members shall be present in person or by means of telephone conference.
- e) Secretary of the Meeting and Minutes**  
The Chairman shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of any meeting of the Committee. Minutes of Committee meetings shall be recorded and maintained by the Secretary and copies are to be provided to the Board.
- f) Right to Vote**  
Each member of the Committee shall have the right to vote on matters that come before the Committee.
- From time to time, matters may come before the Committee where a Director may have a conflict of interest. If and when such matters arise, that member shall declare himself as having a conflict of interest and will not participate in the discussions and any vote on that matter.
- g) Invitees**  
The Committee may invite any of the Company's officers, employees, advisors or consultants or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

#### **IV. AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The Compensation Committee shall have the authority of the Board of Directors to perform its duties and fulfill its responsibilities with respect to:

##### **4.1 RETAINING AND COMPENSATING ADVISORS**

The Committee has the authority to retain, at the Company's expense, any external advisor it deems necessary in the performance of its duties and the Committee shall have the authority to set the compensation and retention terms for any such advisor.

##### **4.2 RECOMMENDATIONS TO THE BOARD**

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

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#### 4.3 **COMPENSATION MATTERS**

##### a) **Compensation of the Chief Executive Officer and Senior Executives**

At least annually, the Committee shall:

- Review the corporate goals and objectives relevant to the CEO and Senior Executives, evaluating their individual performance based on those goals and objectives and such other factors as the Committee deems appropriate and in the best interest of the Company;
- Recommend for approval of the Board the compensation of the CEO and Senior Executives addressing (i) base salary, (ii) annual incentives, (iii) long-term incentives, and (iv) any other form of compensation;
- In determining the long-term incentive component of the CEO and Senior Executives' compensation, consider, (i) Company's performance and relative shareholder return, (ii) the value of similar incentive awards to CEOs and Senior Executives at comparable companies, and (iii) the awards given to the CEO and Senior Executives of the Company in the past years; and
- From time to time, as required, review and consider any contractual or employment agreements, including those addressing retirement, termination of employment or other special circumstances, as appropriate, between the Company and the CEO or between the Company and a Senior Executive.

##### b) **Director and Committee Member Compensation**

The Committee shall conduct annual reviews of the amount and form of directors' fees and other compensation for Board and committee services in relation to time commitment, risks and responsibilities and recommend any adjustments thereto to the Board for its consideration and approval.

#### 4.4 **PUBLIC DISCLOSURES**

The Committee shall review and recommend to the Board for approval, any public disclosure of information relating to the Company's executive compensation, including the Company's compensation discussion and analysis for inclusion in the Company's Management Information Circular.

#### 4.5 **REPORTING TO THE BOARD**

The Chairman shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

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#### **4.6 ANNUAL PERFORMANCE EVALUATION**

The Committee shall perform an annual evaluation of the performance of the Committee and report to the Board of Directors on the results of such evaluation.

#### **V. REVIEW AND REVISION OF CHARTER**

Annually the Committee shall review the adequacy of this Charter, report to the Board of Directors on the results of such review, and recommend any proposed changes to the Board of Directors for approval.

#### **VI. INTERPRETATION**

The provisions of this Charter are subject to the provisions of the articles and by-laws of the Company and to the applicable provisions of the *Ontario Business Corporations Act* and any other applicable legislation.