

TERMS OF REFERENCE

CORPORATE GOVERNANCE & COMPENSATION COMMITTEE BANKS HOLDINGS (BHL) GROUP OF COMPANIES

A. PURPOSE

The purposes of the Corporate Governance & Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Banks Holdings Limited (the “Company”) are (i) to implement effective principles of corporate governance that positively influence the Company’s operations and the framework within which decisions are made by its management; and (ii) to assist the Board in fulfilling its oversight responsibilities with respect to (a) compensation and human resources policies, (b) compensation arrangements for senior executives, (c) pension matters and (d) succession planning for senior executive positions.

B. MANDATE

1. **General Human Resources Matters** – The Committee shall be responsible for monitoring and assessing the human resources policies and procedures of the Company.

The Committee shall, in consultation with the Board, conduct a periodic review of the human resource policies for the Company in order to ensure that the Company's long-term human resource strategies are effective and that they reflect a proper balance between the Company’s short and long-term performance.

2. **Compensation Matters** – The Committee shall have overall oversight responsibility for monitoring and assessing the compensation policies of the Company to allow the Company to be in a position to attract, motivate and retain competent executive personnel required to meet its business and strategy objectives.

In particular, the Committee shall:

- a. **Chief Executive Officer (“CEO”)**
annually review the responsibilities of the CEO and make recommendations to the Board on ways to improve the performance of the CEO;
- b. establish the goals and objectives to be met by the CEO and annually review the performance of the CEO relative to the corporate goals and objectives in order to determine appropriate compensation for of the CEO;
- c. **Compensation**
annually review the recommendations of the CEO concerning overall compensation, including salary, short and long-term incentives and other conditions of employment of the Company’s executive and make recommendations to the Board for consideration with respect to such persons that report directly to the CEO (the “CEO Direct Reports”) and, if advisable, without requiring Board approval, approve compensation of other members of the executive other than the CEO or CEO Direct Reports;

- d. annually assess the overall compensation policies of the Company to ensure that the policies are in accordance with the business objectives of the Company and with generally accepted compensation levels for comparable businesses and make recommendations to the Board proposals for change to the policies;
- e. consider and be satisfied that human resources and compensation plan risks are appropriately identified, assessed, managed and disclosed;
- f. annually review and recommend for approval to the Board the disclosure of the compensation of the executive of the Company in its information circular, and be satisfied that the overall compensation policies for senior officers are adequately disclosed and describes in sufficient detail the rationale for the compensation awarded to senior officers of the Company, including, incentive payments, stock grants, stock options, pensions and all other components of executive compensation;
- g. Talent Management and Succession
annually review the executive management succession and talent management plans, including monitoring the development and performance of the executives; and make recommendations to the Board with respect to the CEO and CEO Direct Reports;
- h. review matters relating to organizational structure at the officer level of the Company and its businesses and make recommendations with respect to the appointment of officers of the Company to the Board;
- i. Compensation Programme
conduct periodic reviews of all incentive compensation plans, equity and equity-based plans of the Company and submit recommendations with respect to new or any material amendments to such plans to the Board;
- j. annually review and recommend for approval to the Board incentive compensation pools for the Company and its businesses, considering alignment of compensation with business performance and risk;
- k. review proposed grants of equity, equity-based and other long-term incentives, other than grants to the CEO and the CEO Direct Reports or any grants that will result in the issuance of a “security” of the Company for which the Committee shall make recommendations to the Board for its consideration and decision;
- l. consider, and if deemed appropriate, recommend discretionary bonus proposals for senior executives other than for the CEO and the CEO Direct Reports to the Board for its consideration and decision; and
- m. Director Remuneration
conduct periodic reviews of the amount and form of directors' fees and benefits for Board and committee service in relation to time commitment, responsibilities and risks and current norms, and recommend any adjustments thereto to the Board for its consideration and decision.

3. **Pension Matters** – The Committee shall monitor the Company's pension policies and practices and assist the Board in fulfilling its fiduciary responsibilities relating to the Company's pension plans.

The Committee shall:

- a. review and recommend for approval to the Board any proposed amendments to the pension policies, including the objectives and the funding strategy;
- b. review as required and recommend for approval to the Board any proposed amendments to the Company's pension plans that materially impact costs, benefits, plan eligibility or plan establishment / termination;
- c. establish, review and modify as necessary the composition and membership of the Pension Plan Trustees on record (“PPT”);
- d. review and consider reports from the PPT including:
 - i. periodic (but at least annual) reports concerning the material aspects of the operation and governance of the pension plans;
 - ii. annual financial statements of the pension plans, as approved by the PPT;
 - iii. the appointment by the PPT of all new external advisors or service providers to the Company's pension plans; and
 - iv. periodic reports that set forth the funded position, contribution requirements and fund performance for the Company's pension plans, as approved by the PPT, and
- e. annually report to the Board on activities relating to Pension Matters addressed by the Committee.

4. **Corporate Governance Matters**

The Committee shall:

- a. establish and recommend to the Board for implementation effective corporate governance practices consistent with the key objectives of the Company.
- b. advise the Board or any committees of the Board of any corporate governance issues which the Committee determines has a negative impact on the Company's ability to safeguard or improve shareholder value.
- c. review, at least once annually, the role of the Board, the terms of reference of each of the committees of the Board and the methods and processes by which the Board fulfills its duties and responsibilities.
- d. establish policies for monitoring and discipline by the Board

5. **Other Matters**

- a. The Committee shall, at least annually, provide a review of the insurance policies being offered by the Company to its directors and officers; and
- b. the Committee may, at the request of the Board or on its own initiative, investigate such other matters related to its mandate as it considers necessary or appropriate in the circumstances.
- c. The Committee shall have the power to delegate its authority and duties to subcommittees or to individual members of the Committee as it considers appropriate.

C. COMMITTEE AND PROCEDURES

1. **Composition of Committee**

The Committee shall consist of at least three directors of the Board, all of whom shall satisfy the requirements for independence of management stipulated in applicable securities laws, rules or guidelines and any other applicable regulatory rules. No member of the Committee shall be an officer or employee of the Company or any of its subsidiaries.

2. **Appointment of Committee Members**

The Board shall appoint, remove or replace any member of the Committee, including the Chairman.

3. **Absence of Committee Chair**

If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee, who is present at the meeting, shall be chosen by the Committee to preside at the meeting.

4. **Meetings**

The Chairman of the Committee, the Chairman of the Board or any two members of the Committee, acting jointly, may call a meeting of the Committee at any time as they deem appropriate. In any event, the Committee shall endeavour to meet at least three (3) times a year.

5. **Quorum**

The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or such other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. **Unanimous Written Consent**

The Committee may at any time act by written consent signed by all of its members and such consent shall be as valid as if it had been passed at a meeting of the Committee.

7. **Procedure, Records and Reporting**

Subject to any statute or articles and by-laws of the Company, the Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board as the Committee may deem appropriate (but not later than the next meeting of the Board).

8. **Attendance By The Chief Executive Officer, Other Officers or Employees**

The Chief Executive Officer shall be available to advise the Committee at any time as is deemed necessary and shall receive notice of and attend all meetings of the Committee upon the request of the Chairman.

At the invitation of the Chairman, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee.

9. **Notice and Agenda of Meetings**

Notice of the time and place of every meeting of the Committee shall be given by in writing or by e-mail or facsimile communication to each member of the Committee by the Chairman of the Committee or by such person delegated by the Chairman, at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive the notice requirement and any member's attendance at a meeting will be deemed a waiver of the requirement to receive notice of the meeting, except where a member attends the meeting for the sole purpose of objecting to the transaction of any business being conducted by the Committee on the grounds that the meeting has not been properly called.

The Chairman of the Committee shall develop and set the agenda for the meeting, in consultation with other members of the Committee, the Board and management of the Company. The agenda and all documents relevant for the meeting shall, to the extent practical, be sent to the members of the Committee sufficiently in advance of each meeting to permit members an opportunity to review ahead of the meeting.

10. **Review of Terms of Reference**

The Committee shall review and reassess the adequacy of this Terms of Reference as may be required and recommend changes to the Board as is deemed necessary. Such review shall include the evaluation of the performance of the Committee against criteria defined in the Committee and Board mandates.

D. EXTERNAL CONSULTANTS AND ADVISORS

Subject to a monetary limit approved by the Board, the Committee, when it considers it necessary or advisable, may retain, at the Company's expense, external consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors as well as the sole authority to approve the fees and any other terms related to the retention of such consultants or advisors.