



**NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.**

**GOVERNANCE & HUMAN RESOURCES COMMITTEE CHARTER**

**Approved by the Board of Directors on January 12, 2016**

## GOVERNANCE & HUMAN RESOURCES COMMITTEE CHARTER

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### I. Purpose

The Governance & Human Resources Committee (the “**Committee**”) of Neptune Technologies & Bioresources Inc. (the “**Corporation**”) is responsible for: (a) developing the Corporation’s approach to Board governance issues and the Corporation’s response to the corporate governance guidelines; (b) reviewing the composition and contribution of the Board of Directors (the “**Board**”) and its members and recommending Board nominees; (c) overseeing the orientation program for new directors; and (d) helping to maintain an effective working relationship between the Board of the Corporation and management.

In addition to the above, the purpose of the Committee is also to assist the Board in its oversight responsibilities relating to:

- A. the compensation;
- B. nomination;
- C. objective;
- D. evaluation;
- E. succession plan; and
- F. the Corporation’s environmental, health and safety policies and the Code of Conduct and Ethics.

### II. Duties and Responsibilities

The Committee shall perform the functions customarily performed by governance and compensation committees and any other functions assigned by the Board. In particular, the Committee shall have the following duties and responsibilities:

#### A. *Board Members and Corporate Governance Principles and Compliance*

1. Review criteria regarding the composition of the Board and committees of the Board, such as size, proportion of independent directors and as to criteria to determine “relatedness” as well as profile of the Board (age, geographical representation, disciplines, etc.) and establish a Board comprised of members who facilitate effective decision-making.
2. Review criteria relating to tenure as a director, such as limitations on the number of times a director may stand for re-election, and the continuation of directors in an honorary or similar capacity.
3. Review criteria for retention of directors unrelated to age or tenure, such as attendance at Board and committee meetings, health or the assumption of responsibilities which are incompatible with effective Board

membership; and assess the effectiveness of the Board as a whole, the committees of the Board, the contribution of individual directors on an ongoing basis and establish in light of the opportunities and risks facing the Corporation, what competencies, skills and personal qualities it seeks in new Board members in order to add value to the Corporation.

4. Recommend to the Board the list of candidates for directors to be nominated for election by shareholders at annual meetings of shareholders.
5. Recommend to the Board candidates to fill vacancies on the Board occurring between annual meetings of shareholders.
6. Recommend to the Board the removal of a director in exceptional circumstances, for example (a) such director is in a position of conflict of interest or (b) the criteria underlying the appointment of such director change.
7. Ensure that the Board can function independently of management. To this end, arrange for meetings on a regular basis of the independent directors without management present. In such cases.
8. As an integral element of the process for appointing new directors, put in place an orientation and education program for new recruits to the Board and review from time to time the value and benefit of such program.
9. Ensure corporate compliance with applicable legislation including director and officer compliance.
10. Review proposed amendments to the Corporation's by-laws before making recommendations to the Board.
11. Periodically review and make recommendations to the Board with respect to the Corporation's formal Code of Conduct and Ethics for its employees, directors, Officers and Executives.
12. Monitor adherence to the Code of Conduct and Ethics and review potential situations related thereto brought to the attention of the Committee by the Corporate Secretary of the Corporation in order to recommend or not in certain circumstances to the Board to grant or not waivers from compliance with the Code of Conduct and Ethics for directors, Officers and Executives. The Committee shall also ensure that when such waivers are granted, the Board shall disclose same in due time and specify the circumstances and rationale for granting the waiver.
13. Make recommendations to the Board as deemed appropriate in the context of adherence to corporate governance guidelines in effect from time to time.
14. In conjunction with the Board Chair, recommend to the Board the

membership and chairs of the committees of the Board.

15. Review annually the Board/management relationship.
16. Advise the Board on the disclosure to be contained in the Corporation's public disclosure documents, such as the Corporation's annual management proxy circular, annual information form or annual report, on matters of corporate governance as required by any applicable exchange or regulator.
17. Generally advise the Board on all other matters of corporate governance.

**B. *Appointment, Hiring, Evaluation of the Chief Executive Officer, Other Officers and Executives***

1. Consider and recommend for approval by the Board: (i) the appointment of the Chief Executive Officer and all other Officers and the Executives of the Corporation; and (ii) a succession plan with respect to the position of Chief Executive Officer, as may be required.
2. Review with the Chief Executive Officer management's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession of the Executives, and the other Officers and to report on this matter to the Board at least once each year.
3. Review and assess annually, in conjunction with the Board, the performance of the Chief Executive Officer against pre-set specific corporate and individual goals and objectives approved by the Committee.
4. Review with the Chief Executive Officer the annual performance assessments of the other Officers and the Executives and to report annually to the Board on these assessments.

**C. *Compensation***

1. Oversee and recommend for approval by the Board the Corporation's executive compensation principles, policies, programs, grants of equity-based incentives and processes and to specifically consider and recommend annually or as required: (i) for approval by the independent directors of the Board all forms of compensation for the Chief Executive Officer; and (ii) for approval by the Board all forms of compensation for the other Officers and the Executives.
2. Review the Corporation's Compensation Discussion & Analysis and related executive compensation disclosure for inclusion in the Corporation's public disclosure documents, in accordance with applicable rules and regulations.
3. Review with the Chief Executive Officer any proposed major changes in

organization or personnel.

4. Review any proposed major changes in the Corporation's benefit plans and recommend for approval any change requiring Board action.
5. Review, monitor, report, and where appropriate, provide recommendations to the Board on the Corporation's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk.

**D. *Oversight of the Corporation's environmental, health and safety policies and the Code of Conduct and Ethics***

1. Review, monitor, report, and where appropriate, provide recommendations to the Board on the Corporation's environmental, health and safety policies.
2. Review, monitor and report at least annually, together with the Audit Committee, the Code of Conduct and Ethics and material changes thereto.

**III. Evaluation of the Committee and Report to Board**

- A. The Committee shall evaluate and review with the Board, on an annual basis, the performance of the Committee.
- B. The Committee shall report to the Board periodically on the Committee's activities.

**IV. Outside advisors**

The Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Committee in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Committee.

The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following six factors:

- A. the provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other adviser;
- B. the amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- C. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- D. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- E. any stock of the Corporation owned by the compensation consultant, legal counsel or

other adviser; and

- F. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Senior Management of the Corporation.

The Committee may select, or receive advice from, any compensation adviser they prefer, including ones that are not independent, after considering the six independence factors outlined above.

## **V. Membership**

The Committee shall be composed of a minimum of three (3) independent members of the Board (as defined under Rule 5605 (a)(2) of the Nasdaq Stock Market and reproduced under Schedule "A" hereto), all of which will be directors not occupying or not having occupied a management or employee position within the Corporation during the last two (2) years, or being considered as a control shareholder within the meaning given to this expression in the securities legislation. The President of the Committee shall be independent and free of any relation which, in the Board's opinion, could interfere with the exercise of their independence and objectivity as a member of the Committee.

In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board of directors will consider, all factors specifically relevant to determining whether a director has a relationship to the Corporation which is material to that director's ability to be independent from management in connection with the duties of a human resources and governance committee member, including, but not limited to:

- i. the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Corporation to such director; and
- ii. whether such Director is affiliated with the Corporation, a subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation.

The members of the Committee shall be appointed by the Board and will carry out their duties until the next annual Board meeting or until their successors are duly elected. Unless the President of the Committee is appointed by the whole Board of Directors, the members of the Committee will be able to appoint a President by majority vote in the presence of all the members of the Committee.

## **VI. Committee Chair**

The Chair of the Committee shall be appointed by the Board and shall be independent of the Corporation. The Chair of the Committee leads the Committee in all aspects of its work and is responsible to effectively manage the affairs of the Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Committee shall:

- G. Provide leadership to enable the Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- H. In consultation with the Board Chair and the Chief Executive Officer, ensure that there

is an effective relationship between management and the members of the Committee;

- I. Chair meetings of the Committee;
- J. In consultation with the Chief Executive Officer, the Corporate Secretary and the Board Chair, determine the frequency, dates and locations of meetings of the Committee;
- E. In consultation with the Chief Executive Officer, the Corporate Secretary and the Human Resources Vice-President, review the annual work plan and the meeting agendas to ensure all required business is brought before the Committee to enable it to efficiently carry out its duties and responsibilities;
- F. Ensure, in consultation with the Board Chair, that all items requiring the Committee's approval are appropriately tabled;
- G. Ensure the proper flow of information to the Committee and review, with the Chief Executive Officer, the Corporate Secretary and the Human resources Vice-President, the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee; and
- I. Carry out any special assignments or any functions as requested by the Board.

## **VII. Term**

The members of the Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

## **VIII. Procedures for meetings**

The Committee shall fix its own procedure at meetings and for the calling of meetings. The Committee will meet as necessary. The Committee shall meet in executive session in the absence of management, at each regularly scheduled meeting.

## **IX. Quorum and voting**

Unless otherwise determined from time to time by resolution of the Board, two members of the Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by the Committee members, except where only two members are present, in which case any question shall be decided unanimously.

## **X. Secretary**

Unless otherwise determined by resolution of the Board, the Corporate Secretary of the

Corporation or his/her delegate shall be the Secretary of the Committee.

**XI. Vacancies**

Vacancies at any time occurring shall be filled by resolution of the Board.

**XII. Records**

The Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

**XIII. Review of Charter**

The Committee will, from time to time, review and assess the adequacy of this Charter and recommend any proposed changes for consideration. The Board may amend this Charter, as required.