



## HUMAN CAPITAL & COMPENSATION COMMITTEE MANDATE

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### HUMAN CAPITAL & COMPENSATION COMMITTEE MANDATE

#### PURPOSE

The Human Capital & Compensation Committee (Committee) assists the board of directors (Board) of Dundee Precious Metals Inc. (DPM) in ensuring that DPM's human capital and compensation matters are consistently managed in a way that support the fulfilment of DPM's purpose and strategy in compliance with DPM's policies, standards and legal and regulatory obligations. Specifically, the Committee assists the Board in the oversight and assessment of:

- Human capital and compensation risk assessment and management and related policies
- CEO compensation, performance management and succession planning
- Executive compensation, performance management and succession planning
- Director compensation
- Organizational culture
- Labour relations strategy, policies and programs

The Vice President, Human Resources supports the Committee in fulfilling these responsibilities.

#### OPERATING GUIDELINES

In carrying out its role and responsibilities, the Committee follows the Committee Operating Guidelines.

#### COMPOSITION

The Committee is composed of at least three independent Directors appointed by the Board, with one Committee member designated as Chair of the Committee. Committee members are selected from the Directors on the recommendation of the Corporate Governance and Nominating Committee, provided that all members of the Human Capital & Compensation Committee are "independent"<sup>1</sup>.

#### FREQUENCY OF MEETINGS

Committee members meet at least four times per year and as many other times as necessary to carry out their responsibilities. Meetings outside the regular meeting schedule are convened at the call of the Committee Chair.

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<sup>1</sup> "Independence" is defined in accordance with applicable corporate and securities laws, regulations, guidelines, and stock exchange rules.



## HUMAN CAPITAL & COMPENSATION COMMITTEE MANDATE

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### RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee assumes the following responsibilities:

#### *Human Resources*

1. Together with the President and CEO (CEO), periodically review the CEO position description and any agreements between DPM and the CEO (including retirement, employment, and other agreements) and recommend any changes to the Board.
2. Lead the development of a succession plan to deal with a planned or unplanned departure of the CEO.
3. Together with the CEO and Vice President, Human Resources annually review DPM's CEO and executive team (collectively, Executive Officers) structure, leadership and talent development programs, succession plans and positions for DPM's Executive Officers to ensure a robust leadership plan for the future of DPM.
4. Receive periodic updates on Management's actions related to broad-based pay programs and human capital policies to understand the effectiveness of the programs with respect to pay equity, leadership and talent development, retention, diversity and inclusion, and risk mitigation.
5. Annually receive a report on diversity and inclusion statistics and initiatives and, if appropriate, recommend any amendments to DPM's Diversity Policy and such other human resource policies and programs that are material to supporting DPM's culture and diversity, equity and inclusion objectives.
6. Annually review and monitor the results of any survey, reports, and other methods to measure employee engagement and health of the organizational culture.
7. Annually review DPM's overall labour relations strategy for organized employees and review the labour relations environment for DPM and report to the Board with respect to any issues.

#### *Executive Compensation Policy and Design*

1. Annually review and recommend any necessary changes to the Board to DPM's executive compensation philosophy, structure and program design including:
  - a. Report from compensation consultant on review of and recommendations concerning DPM's executive compensation program (including indirect compensation components – termination and retirement provisions for executives, benefits and perquisites, and related items)
  - b. stress testing (including realizable pay), scenario planning, and risk assessment/mitigation. .
2. Annually review report on:
  - a. Compensation trends and developments for all employees;
  - b. Overall health of compensation ratios for all employees relative to Executive Officer compensation



## HUMAN CAPITAL & COMPENSATION COMMITTEE MANDATE

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3. Annually review recommendations from DPM's compensation consultant on DPM's compensation peer group (Compensation Peer Group) and Total Shareholder Return (TSR) peer groups and recommend for Board approval.
4. Annually review and recommend to the Board for approval any required amendments to DPM's equity compensation plans.
5. Monitor on an ongoing basis compensation trends and developments for all employees.

### *Executive Compensation Components and Review*

1. Taking into account the recommendations of the compensation consultant, review and recommend for approval by the Board, the annual aggregate base salary budget or increases for DPM's Executive Officers.
2. Annually review and finalize DPM's balanced scorecard objectives and weightings for the ensuing year and recommend to the Board for approval.
3. Annually review and finalize the CEO's individual performance objectives for the ensuing year and recommend to the Board for approval.
4. Annually review corporate achievement of DPM's balanced scorecard objectives for the prior year and recommend to the Board for approval.
5. Annually review individual performance of DPM's Executive Officers, including the CEO, against prior year's objectives and recommend short-term incentive payments (weighted on achievement of balanced scorecard and individual performance) to the Board for approval.
6. On a quarterly basis, review and track year-to-date performance of the balanced scorecard objectives.
7. On a quarterly basis, review DPM's TSR performance for DPM's Performance Share Unit (PSU) plan.
8. On a quarterly basis, review DPM's share dilution and common shares available for long-term incentive (LTI) grants.
9. Annually review and discuss LTI awards to DPM's Directors and eligible employees, and periodic awards for new or promoted employees, and recommend them to the Board for approval.
10. Annually review the compensation consultant's report on and assessment of:
  - a. Benchmarking of executive compensation (including benchmarking of executive compensation relative to compensation for all employees)
  - b. DPM's pay for performance (including pay-for-performance tests set by proxy advisors).



## HUMAN CAPITAL & COMPENSATION COMMITTEE MANDATE

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### ***Director Compensation***

1. Bi-annually review and consider recommendations from DPM's compensation consultant (contained in a benchmarking report) concerning any changes to DPM's Director compensation and expense policies and recommend to the Board for approval.

### ***Compensation Consultant***

1. Annually appoint an external compensation consultant for DPM.
2. Annually review the performance of DPM's compensation consultant.

### ***Risk Management and Compliance***

1. Periodically review and discuss with the CEO and senior leadership team (collectively, Management) the management of material risks and exposures relating to compensation and human capital matters as identified in DPM's enterprise risk management framework, and Management's systems, control plans and steps taken to assess and manage such risks to ensure they do not encourage individuals to take inappropriate or excessive risks that are reasonably likely to have a materially adverse effect on DPM.
2. Receive regular reports concerning complaints received under DPM's Speak Up and Reporting Policy related to the Committee's areas of responsibility and oversee investigations related to such complaints.
3. Review the disclosure in DPM's annual disclosure documents (including the Management Information Circular and other documents) concerning the Committee's composition, responsibilities and how they are discharged, governance practices, the report on Director and Executive Officer compensation, including the Compensation Discussion and Analysis, and any other required or applicable information.

### ***Mandate and Workplan Review and Performance***

1. Annually review the Committee's performance relative to this mandate.
2. Annually review the adequacy of the mandate and the Committee's workplan and recommend any changes to the Board.

### ***Other Responsibilities***

1. Oversee DPM's shareholder advisory votes on executive compensation, including assessing the results of the vote.
2. Oversee engagement with shareholders and proxy advisory firms on executive compensation and other human capital matters.
3. Keep current on emerging best practices relative to the Committee's mandate.
4. Review such other matters related to the Committee's purpose that the Committee or the Board deems advisable or timely in light of business, legal, regulatory or other conditions.



## HUMAN CAPITAL & COMPENSATION COMMITTEE MANDATE

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### *In Camera Sessions*

At every quarterly meeting, the Committee holds *in camera* meetings with Committee members only and at the Committee's discretion, may hold such other *in camera* sessions at any Committee meeting as the Committee determines is appropriate.

### *Policy Oversight*

The Committee has the responsibility to oversee the following Board and organizational policies:

1. CEO Position Description
2. Diversity Policy
3. Anti-Hedging Policy
4. Executive Compensation Recoupment (Clawback) Policy
5. Such other policies as determined appropriate by the Board