



FIRST QUANTUM
MINERALS

**NOTICE AND MANAGEMENT
INFORMATION CIRCULAR**

2020 Annual and Special
Meeting of Shareholders



RELIABLE
GROWTH

MAY 7, 2020 | 09:30AM EDT

VANTAGE VENUES

150 King St. West, 27th Floor, Toronto, ON, M5H 1J9

TABLE OF CONTENTS

LETTER FROM THE CHAIRMAN	1
NOTICE OF ANNUAL GENERAL MEETING	2
MEETING AND VOTING INFORMATION	3
BUSINESS OF THE MEETING	7
Audited Consolidated Financial Statements	7
Fixing the Number of Directors	7
Election of Directors and Information Regarding Proposed Directors	7
Appointment of the Auditors	7
Say on Pay	8
Approval of Shareholder Rights Plan	9
Amendment of the Articles to Adopt Advance Notice Provisions	12
Amendment of the Articles with Respect to Other Matters	13
Other Business	14
BOARD AND GOVERNANCE HIGHLIGHTS	15
BOARD OF DIRECTORS	17
About our Nominees	17
Director Expertise	21
INDEPENDENT DIRECTORS' COMPENSATION	22
OUR GOVERNANCE MODEL	25
COMMITTEE REPORTS	26
Report of the Audit Committee	26
Report of the Nominating and Governance Committee	27
Report of the EHS&CSR Committee	28
Report of the Compensation Committee	30
STATEMENT OF EXECUTIVE COMPENSATION	32
General	32
Compensation Philosophy	32
Compensation Discussion and Analysis	32
Base Salaries	33
Compensation Outcome	35
Short Term Incentive Awards	36
Long Term Incentive Awards	36
PSU Performance Based Vesting	38
Compensation "At Risk"	44
Compensation Risk Assessment	44
Clawback Policy	44
NEO Share Ownership	45
SUMMARY COMPENSATION TABLE	46
PERFORMANCE GRAPH	47
INCENTIVE PLAN AWARDS	50
Outstanding Share Awards and Option Awards	50
Value on Pay-Out or Vesting of Incentive Plan Awards	50
Securities Authorized for Issuance Under Equity Compensation Plans	51
RETIREMENT BENEFIT PLANS	52
TERMINATION AND CHANGE OF CONTROL BENEFITS	52
DISCLOSURE OF OTHER CORPORATE GOVERNANCE PRACTICES	54
Board Composition	54
Independence of the Board	54
Chairman and Lead Independent Director	55
Board Mandate	55
Position Descriptions	56
Operation of the Board	56
Expectations of Management	59
Shareholder Feedback	59
Ethical Business Conduct	59
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE	60
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	61
ADDITIONAL INFORMATION	62
Schedule A – SHAREHOLDER RIGHTS PLAN	63
Schedule B - ADVANCE NOTICE PROVISIONS	106
Schedule C - ADDITIONAL AMMENDMENTS	109

LETTER FROM THE CHAIRMAN

Dear Fellow Shareholders,

On behalf of First Quantum's Board of Directors, I am pleased to invite you to participate in our Annual and Special Meeting of shareholders to be held on Thursday, May 7, 2020 at 09:30 a.m. (EDT). In light of ongoing concerns regarding the spread of COVID - 19, one of our primary considerations is to protect the health of our shareholders and as such, this year, we have arranged to use a live audio webcast to permit participation at the Annual and Special Meeting. I would encourage shareholders to vote on the matters before the meeting by proxy, and to participate in the meeting via the weblink provided. You will be able to ask questions of management at the conclusion of the meeting as usual. We feel this is the most prudent step to take in the current and rapidly changing environment.

In the early years of First Quantum we set a goal of becoming a leading copper-focused mining and metals company. In 2019, a significant step towards that objective was achieved with the start of commercial operations at Cobre Panama; in the third quarter. Cobre Panama is a large-scale, state-of-the-art operation. The ramp-up to commercial operations surpassed the industry's norm and expectations. It also established high standards for mine developments with its environmental considerations and practices. Cobre Panama's overarching goal is to have a positive impact on its natural ecosystem. An important part of this effort is its comprehensive biodiversity action plan. To date, it has identified hundreds of plants and animals as species of concern, it operates the Peregrine Fund and Sea Turtles Conservancy and embraces national regulations and global best practices, including the International Finance Corporation Performance Standard 6.

The environmental approach taken by Cobre Panama is consistent with First Quantum's overall sustainability strategy. This is built around four key pillars, namely: economically viable investments, technically innovative operations, environmentally sound practices and socially responsible actions. We believe that the way we operate reflects these aims. Nevertheless we also strive continuously to improve in these areas.

In 2019, we welcomed Joanne Warner as an Independent Director. Joanne has considerable global asset management experience in the metals, mining and energy sectors most recently having served as Head of Global Resources for Colonial First State Global Asset Management. This year, Paul Brunner will not be standing for re-election to the Board of Directors at the Annual and Special Meeting of Shareholders. My fellow Directors and I thank Paul for his valuable contribution and practical insights to the Board discussions and specifically to the Compensation, Nominating and Governance and Environmental, Health and Safety & CSR Committees. We continue to seek suitable opportunities for further diversification of our Board of Directors.

Our focus in 2020 is primarily on managing our commodity risk and to establish cash flow stability amid continuing commodity price volatility. Now that we have no major development capital expenditure commitments, our priority is to consolidate our operations and to strengthen the balance sheet. We are also exploring the partial sale of certain assets. There is no guarantee that such a transaction will occur but, if one is agreed to, it would accelerate our stated commitment to de-lever the balance sheet.

You may be aware of our recent adoption of a shareholder rights plan and an advance notice policy. These were undertaken to ensure, to the extent possible, that our shareholders are treated fairly in the event of a takeover bid for First Quantum. I encourage you to read the details in this document on both these items and hope we have your support on them.

2019 was a year of extraordinary achievements in First Quantum. I would like, once again, to thank all our employees who make this possible. I would also like to express my appreciation of all our shareholders for their continued support. We believe First Quantum is a strong company that is positioned well to cope with the current global uncertainties and that it will thrive when economic conditions improve.

Sincerely,



Philip K. R. Pascall,
Chairman and Chief Executive Officer

NOTICE OF ANNUAL AND SPECIAL MEETING

Date:	Thursday, May 7, 2020
Time:	09:30 a.m., Toronto time
Location:	Vantage Venues, 150 King St. West, 27th Floor Toronto, ON, M5H 1J9
Live Audio	https://web.lumiagm.com/286180665
Webcast:	

Dear Shareholders

We encourage you to attend First Quantum Minerals Ltd. (the “Company”) Annual and Special Meeting of shareholders (the “Meeting”) via webcast. At the Meeting shareholders will be considering the following matters:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2019 together with the Company Auditor’s report thereon;
2. To fix the number of Directors to be elected at eight (8);
3. To elect the Company’s Directors for the coming year;
4. To appoint PricewaterhouseCoopers LLP (Canada), as auditors of the Company to hold office until the conclusion of the next annual general meeting of shareholders of the Company and to authorize the Directors to fix their remuneration;
5. To approve the non-binding advisory resolution on the approach to executive compensation;
6. To consider and, if deemed advisable, pass a resolution ratifying and approving the shareholder rights plan, as more particularly described in the accompanying Management Information Circular (the “Circular”);
7. To consider and, if deemed advisable, pass a special resolution approving an amendment to the articles of the Company to include advance notice provisions, as more particularly described in the accompanying Circular;
8. To consider and, if deemed advisable, pass a special resolution approving certain amendments to the articles of the Company to bring the articles of the Company in line with current corporate governance best practices prevalent among reporting issuers in Canada, as more particularly described in the accompanying Circular;
9. To transact any other business properly brought before the Meeting or any adjournments thereof.

Accompanying this Notice of Meeting is the Circular where you can find more information on how to vote your shares in the Company.

You are entitled to vote at the Meeting if you were a shareholder as at the close of business on March 16, 2020.

Shareholders are encouraged to vote on the matters before the Meeting by completing the Form of Proxy and lodging it with the Company’s transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 09:30 a.m. (EDT) on Tuesday, May 5, 2020. Registered shareholders and duly appointed proxyholders can participate in and listen to the presentation, vote and submit questions during the Meeting by visiting the following URL: <https://web.lumiagm.com/286180665>.

11th day of March, 2020.

ON BEHALF OF THE BOARD OF DIRECTORS

Sarah E. H. Robertson
Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

MEETING AND VOTING INFORMATION

Containing information as at March 11, 2020 (unless otherwise noted). All figures are in United States Dollars (“USD”) unless otherwise noted.

WHO IS MAKING THE SOLICITATION?

Your proxy is being solicited by our management in connection with the annual and special meeting of shareholders of the Company to be held on Thursday, May 7, 2020 (the “Meeting”).

HOW DO YOU SOLICIT PROXIES?

While it is expected that solicitation will be conducted primarily by mail, proxies may be solicited personally or by telephone by Directors and employees of the Company. All costs of soliciting proxies and the production of and distribution of the Meeting materials will be borne by the Company.

HOW WILL I RECEIVE MY MEETING MATERIALS?

Notice and Access

We have adopted the “Notice and Access” model to distribute our meeting materials to both registered and beneficial shareholders. If you are a registered shareholder you will receive a notice containing information about how you can access and review the electronic copy of our 2020 Management Information Circular (the “Circular”) and instructions on how to vote by proxy at the Meeting. These documents will also be available to view on SEDAR at <http://www.sedar.com>, the Company’s website at <https://www.first-quantum.com/English/investors/investor-briefcase/default.aspx> and a website maintained by our transfer agent, Computershare Investor Services Inc. (“Computershare”) at <http://www.envisionreports.com/First-Quantum-2020ASP>.

We intend to mail our notice of meeting to our registered shareholders on or about March 30, 2020. We do not generally send proxy materials directly to non-registered (beneficial) shareholders but instead use Broadridge Investor Communication Corporation (Broadridge) which acts on behalf of intermediaries to send proxy materials.

How to obtain a paper copy of the Circular: if you are a registered shareholder you may request a paper copy of the Circular by calling 1-866-962-0498 (within North America – toll free) or +1-514-982-8716 (outside of North America – not toll free) and entering the control number located on the Proxy Form or notice. If you are a beneficial shareholder you may visit www.proxyvote.com and enter the control number located on the voting instruction form (“VIF”) and following the instructions provided. Such requests may also be made by telephone at any time prior to the Meeting by calling 1-877-907-7643 and entering the control number located on the VIF and following the instructions provided. If you are dialing from outside of North America, please dial +1-905-507-5450 (not toll free). If you do not have a control number, please call toll-free at 1-855-887-2243.

AM I A REGISTERED OR BENEFICIAL SHAREHOLDER?

- You are a **registered shareholder** if you hold a share certificate which has been issued in your name or you appear as the registered shareholder on the shareholder register.
- You are a **beneficial shareholder** if your shares are registered in the name of a bank, trust company, investment dealer or other institution (an “Intermediary”) and such shares are held for your benefit.

I AM A REGISTERED SHAREHOLDER, HOW DO I VOTE?

We encourage you to participate in the Meeting and vote online by going to <https://web.lumiagm.com/286180665>. Alternatively you may appoint a proxy to represent you and vote on your behalf at the meeting.

HOW DO I APPOINT A PROXY?

On the form of proxy (“Proxy Form”) we have designated the Chairman and Chief Executive Officer and the President to represent you and vote on your behalf at the Meeting. You may appoint a proxy:

- via the internet at www.investorvote.com and following the instructions that appear on the screen or by scanning the QR code on the Proxy Form. You will need your account number and proxy access number which are shown on your Proxy Form; or
- by calling 1-866-732-8683 (within North America – toll free) and 312-588-4290 (outside of North America – not toll free) from a touch-tone phone and following the instructions. You will need your account number and proxy access number which can be found on your Proxy Form; or
- by completing, signing, dating and returning your Proxy Form.

If you wish to appoint a person other than those designated by the Company (who need not be a shareholder) to represent you at the Meeting you may do so by:

- striking out the names of the Chairman and CEO and the President and inserting the name of the person you wish to represent you at the Meeting in the space provided on the Proxy Form; and
- indicating how you wish your appointed proxy to vote on your behalf, signing and dating the Proxy Form and returning it to Computershare as instructed.

IS THERE A DEADLINE FOR MY PROXY TO BE RECEIVED?

Yes. Your Proxy Form, however delivered, will not be valid unless received by Computershare, no later than 09:30 a.m. (EDT) Tuesday, May 5, 2020. If the Meeting is adjourned or postponed, your Proxy Form must be received by 5.00 p.m. (EDT) on the second last day before the reconvened meeting.

HOW CAN I VOTE IF I AM A BENEFICIAL SHAREHOLDER?

Most shareholders are beneficial shareholders. If you are a beneficial shareholder and have not waived your right to receive meeting materials, you are able to instruct your Intermediary how to vote the shares you beneficially own.

- You will receive a VIF which enables you to instruct the Intermediary how to vote your shares. You should follow the instructions on the VIF in order to provide your instructions. If you have not received a VIF and have not waived your right to receive one, please contact your Intermediary.
- In some instances you may be sent a Proxy Form which has already been signed by the Intermediary and is restricted to the number of shares beneficially owned by you. This Proxy Form should be completed and returned in accordance with the instructions set out on the form.

If you are a beneficial shareholder and wish to participate in the Meeting or have someone else participate on your behalf, you may appoint yourself or your nominee as set out in the VIF. In order to participate in the Meeting via the live audio webcast, you must also register your proxy. See “How do I participate in and vote at the live audio meeting?”

Please return your voting instructions as specified in the VIF. You should carefully follow the instructions set out in the VIF, including those regarding by when and where the VIF is to be delivered.

WHAT IF I CHANGE MY MIND?

If you are a registered shareholder you may revoke your proxy once submitted by:

- completing and submitting another Proxy Form or VIF dated later than the Proxy Form or VIF already submitted by you and delivering it in accordance with the instructions on the Proxy Form or the VIF, as applicable. Proxy Forms may be submitted at any time up to and including the last business day preceding the day of the Meeting. Replacement VIF’s should be submitted in accordance with the instructions thereon; or
- any other manner provided by law.
- A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.
- If you are a beneficial shareholder and have received and returned a VIF, you may revoke your instructions in accordance with the requirements of your Intermediary.

HOW WILL MY SHARES BE VOTED BY PROXY?

By properly completing and returning and not revoking a Proxy Form you are appointing the individuals named on the Proxy Form to represent you at the Meeting and vote on each resolution, or withhold from voting, in accordance with your instructions. If you have not indicated how you wish your shares to be voted and have appointed the Company designated proxies, such shares will be voted IN FAVOUR of each matter before the meeting where no instruction has been provided by you.

Where any amendments or variations to the matters identified in the Notice of Meeting or such other matters that may properly come before the Meeting, you are also conferring discretionary authority to your appointed representative to vote on such matters as they see fit.

HOW ARE AMENDMENTS, VARIATIONS OR OTHER MATTERS PROCESSED?

By appointing a proxy you are conferring discretionary authority to your proxy to vote in accordance with their best judgment in respect of any amendments or variations which may properly come before the Meeting. Your proxy remains effective at any continuation or adjournment of the Meeting. We are not aware of any matters which are to come before the Meeting other than the matters referred to in the Notice of Meeting.

HOW DO I PARTICIPATE IN AND VOTE AT THE LIVE AUDIO MEETING?

The Company has arranged for participation in the Meeting by way of a live audio webcast. A summary of the information shareholders will need to attend the Meeting via the live audio webcast is provided below. The Meeting will begin at 9:30am (EDT) on Thursday, May 7, 2020.

Shareholders and duly appointed proxyholders can participate in the Meeting and vote online by going to <https://web.lumiagm.com/286180665> and clicking “I have a login”. You will be asked to enter a Username and Password before the start of the meeting.

- If you are a Registered Shareholder - The 15-digit control number located on the Proxy Form or in the email notification you received is the Username and the Password is “**quantum2020**” (case sensitive).
- If you are a duly appointed proxyholder – Computershare will provide you with a Username after the voting deadline has passed. The Password to the meeting is “**quantum2020**” (case sensitive).
- If you are not a Shareholder or a duly appointed proxyholder you may listen to the Meeting by clicking “**I am a guest**” and completing the online form. As a guest you are able to listen to the meeting however you will not be able to vote or submit questions).

If you wish to appoint a proxy to represent you at the Meeting you must submit your Proxy Form or VIF (as applicable) prior to registering your proxy. Registering a proxy is an additional step once you have submitted your Proxy Form/VIF. Failure to register a duly appointed proxy will result in the proxyholder not receiving a Username to participate in the Meeting. To register a proxy, you MUST visit <https://www.computershare.com/firstquantum> by 9:30am (EDT) on May 5, 2020, and provide Computershare with your proxyholder’s contact information, so that Computershare may provide them with a Username via email.

It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the meeting.

If you are a registered shareholder you will have a 15-digit control number or if you are a duly appointed proxyholder and have been assigned a Username by Computershare, you will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/286180665> prior to the start of the Meeting to login.

Click on “**I have a login**” and enter your 15-digit control number or Username along with the password “**quantum2020**” (case sensitive). If you are joining the Meeting as a guest (as defined above) you may log in by clicking on “**I am a Guest**” and completing the online form.

If you are using a 15-digit control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.

WHO CAN VOTE AT THE MEETING?

Only registered shareholders or duly appointed proxies are entitled to participate and vote or have their shares voted at the Meeting. Each share carries the right to one vote. As at March 11, 2020, there were 689,401,007 shares issued and outstanding.

DOES ANY SHAREHOLDER OWN 10% OR MORE OF THE COMPANY'S SHARES?

To the knowledge of the Directors and executive officers of the Company, as of the date of this Circular, there are no persons or companies who beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the right to vote at the Meeting, except that Jiangxi Copper Company Limited holds 124,198,371 shares, representing approximately 18.015% of the issued and outstanding shares (as reported on December 9, 2019). The foregoing information has been obtained by the Company through publicly-disclosed filings made by such persons or companies under applicable securities laws.

WHAT IS THE RECORD DATE?

In order to participate and vote at the Meeting you must be a shareholder of record at the close of business on March 16, 2020. This date is the record date.

HOW MANY VOTES DO I HAVE?

You are entitled to one vote for each share you hold. Our register of shareholders is available for inspection during normal business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, and at the Meeting.

WHAT IS THE BUSINESS BEING VOTED ON AT THE MEETING?

You will be asked to vote on the following matters at the Meeting:

1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Our audited consolidated financial statements for the year ended December 31, 2019, together with the report of the auditors thereon, will be presented at the Meeting and are included in the Company's 2019 Annual Report. The Annual Report is also available on the Company's website at www.first-quantum.com and at www.sedar.com and hard copies are available on request.

2. FIXING THE NUMBER OF DIRECTORS

Your approval will be sought to fix the number of Directors of the Company to be elected at eight (8).

The Board recommends a vote "FOR" to fix the number of Directors of the Company to be elected at eight (8). The persons named in the accompanying Proxy Form intend to vote FOR the fixing of the number of Directors at eight (8) unless you tell them to withhold your vote.

3. ELECTION OF DIRECTORS AND INFORMATION REGARDING PROPOSED DIRECTORS

The eight nominees for election as Directors at the Meeting are set out below. The term of office for each Director elected at the Meeting will commence immediately after the Meeting and will continue until the conclusion of the next annual general meeting or until a successor is duly elected or appointed.

Philip K. R. Pascall	G. Clive Newall
Robert J. Harding	Andrew B. Adams
Simon J. Scott	Peter St. George
Joanne K. Warner	Kathleen A. Hogenson

You can find more information on all of our nominees on pages 17 to 20. Each nominee brings a unique set of skills and experience which together create a strong and effective Board. Each nominee has expressed their willingness and eligibility to serve as a Director if elected. If a proposed nominee becomes unable to serve as a Director or withdraws their name, the persons named in the Proxy Form will vote for any other nominee put forward by the Board.

Majority Voting Policy

Under policies adopted by the Board, shareholders have the ability to vote for, or withhold their votes from, each individual nominee proposed for election to the Board.

We have adopted a Majority Voting Policy whereby a Director from whom the number of votes withheld exceeds the number of votes cast in their favour, will immediately tender their resignation to the Board. The Nominating and Governance Committee will consider the resignation and advise the Board on how to respond, which it will do so within 90 days of the Meeting. However, it is expected that the Board will only decline to accept a resignation in exceptional circumstances. The Director under consideration will not take part in any deliberations on the matter. Such resignation will become effective immediately upon acceptance by the Board and a press release, confirming the Board's reasons for the decision, to accept or reject the resignation, will be issued promptly.

The Board recommends a vote "FOR" the election of each of the eight nominees. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the election of the each of the nominees. We do not expect that any of the nominees will be unable to serve as a Director.

4. APPOINTMENT OF THE AUDITORS

We propose that PricewaterhouseCoopers LLP (Canada), Chartered Accountants ("PwC Canada") be appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting and that the Directors be authorized to set the fees paid to PwC Canada as auditor. Subject to the approval of the Audit Committee and the Board, the Company expects to ask PricewaterhouseCoopers LLP (UK) ("PwC UK"), which has served as the Company's auditors since 2014, to resign in order to facilitate the conduct of the audit of the Company in Canada.

In connection with the change in the Company's auditors, the Company will prepare a "reporting package" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")), which will be filed on SEDAR. The Notice of Change of Auditor contained in the reporting package will disclose, among other things, whether there were (i) any modified opinions expressed in PwC UK's reports in connection with the audit of the Company's financial statements for the years ended December 31, 2019 and December 31, 2018, and/or (ii) any "reportable events", as such term is defined in NI 51-102.

Summary of Billings and Services by the External Auditors for 2019 and 2018

Aggregate fees paid to PwC UK for the years ended December 31, 2019 and 2018 were as follows:

	December 31, 2019 (\$)	December 31, 2018 (\$)
Audit Fees	1,706,114	1,555,421
Audit-Related Fees	208,276	263,502
Tax Fees	11,574	–
All Other Fees ⁽¹⁾	191,519	140,600
Total	2,117,483	1,959,523

(1) Included within all other fees are fees relating to the bond issuances undertaken by the Company in March 2018, January 2019 and January 2020.

Pre-Approval Policy

We have adopted a pre-approval policy in respect of non-audit services provided by PwC Canada. Further details, including the Audit Committee Charter, can be found in the Annual Information Form of the Company available on SEDAR at www.sedar.com.

The Board recommends a vote "FOR" the appointment of PwC Canada as auditors of the Company and to authorize the Directors to fix their remuneration. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the appointment of PwC Canada as auditors of the Company and to authorize the Directors to fix their remuneration.

5. SAY ON PAY ADVISORY VOTE

We have adopted an advisory say on pay vote relating to our approach to executive compensation. The objective of this advisory non-binding vote is to provide you with an opportunity to provide feedback on our approach and to ensure an appropriate level of accountability for executive compensation. At last year's annual general meeting this vote was supported with 97.68% in favour of our approach to compensation.

At the Meeting you will be asked to approve the following advisory resolution:

"BE IT RESOLVED, that on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors of the Company, that the shareholders accept the approach to executive compensation disclosed in the Company's Management Information Circular relating to the 2020 annual meeting of shareholders."

You are reminded that this vote is advisory and is therefore not binding on the Board or the Company. The Directors remain fully responsible for their compensation decisions and are not relieved of these responsibilities by a positive or negative advisory vote by shareholders.

However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, practices and decisions. We will disclose the results of the shareholder advisory vote as a part of our report of voting results for the Meeting.

At the 2019 and 2018 annual general meetings, the results of the say on pay advisory vote were as follows:

Year	# Votes For	% of Votes Cast	# Votes Against	% Votes Cast
2019	505,219,340	97.68%	11,976,888	2.32%
2018	496,270,881	93.33%	35,459,209	6.67%

The Board recommends a vote "FOR" the advisory resolution on executive compensation. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the adoption of the advisory resolution on executive compensation.

6. APPROVAL OF SHAREHOLDER RIGHTS PLAN

The Company adopted a shareholder rights plan (the “Rights Plan”) effective January 6, 2020. The Rights Plan has been conditionally approved by the TSX and is subject to ratification by the shareholders of the Company. At the Meeting, you will be asked to consider and, if deemed advisable, pass a resolution, ratifying and approving the Rights Plan. The Rights Plan must be approved by a resolution of: (i) a simple majority of 50% plus one vote of the votes cast by shareholders of the Company, whether in person or by proxy, at the Meeting; and (ii) a simple majority of 50% plus one vote of the votes cast by the Independent Shareholders (as defined in the Rights Plan), whether in person or by proxy, at the Meeting. As of the record date for the Meeting, based on publicly available information, to the knowledge of the Company there are no shareholders that are not Independent Shareholders. If the Rights Plan is not approved at the Meeting, the Rights Plan will terminate at the end of the Meeting. If the Rights Plan is approved at the Meeting, it will remain in effect and will next require reconfirmation by shareholders at the 2023 annual meeting of shareholders. The Rights Plan must be reapproved by the shareholders at every third annual meeting of the Company’s shareholders.

A summary of the Rights Plan is included below and a complete copy of the Rights Plan is attached to this Information Circular as Schedule “A”.

Purpose of the Rights Plan

A rights plan is a common mechanism used by issuers to discourage the making of certain take-over bids (e.g., those structured in such a way as to be coercive or discriminatory in effect) by creating the potential for significant dilution to any offeror who becomes the beneficial owner of 20% or more of the outstanding shares of the issuer. To accomplish this, the Rights Plan provides for the issuance to all shareholders of rights (“Rights”) to acquire additional shares of the Company at a significant discount to the then-prevailing market price, which could, in certain circumstances, become exercisable by all shareholders other than the offeror and its joint actors.

Effective May 9, 2016, the Canadian Securities Administrators implemented certain amendments to Canadian securities laws relating to take-over bid rules in Canada to require, among other things (i) that a take-over bid remain open for deposits of securities for a minimum of 105 days, (ii) that all non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding securities of the class that are subject to the bid, and (iii) a ten-day extension of the bid period after the minimum tender requirement is met. Regarding the minimum bid period, a target issuer has the ability to voluntarily reduce the period to not less than 35 days. Additionally, the minimum period may be reduced in the event of an alternative change in control transaction.

Notwithstanding the 2016 amendments to the take-over bid rules there continues to be a role for rights plans in protecting issuers and preventing the unequal treatment of shareholders. Some remaining areas of concern include:

- protecting against “creeping bids” (the accumulation of more than 20% of the Company’s shares through purchases exempt from the take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of shares not available to all shareholders, (iii) acquiring control through the slow accumulation of shares over a stock exchange without paying a control premium, or (iv) through other transactions outside of Canada not subject to the take-over bid rules, and requiring the bid to be made to all shareholders; and
- preventing the use of “hard” lock-up agreements by offerors whereby existing shareholders commit to tender their shares to an offeror’s take-over bid in lock-up agreements that are either irrevocable or revocable but subject to restrictive termination conditions. Such agreements could have the effect of deterring other potential bidders from bringing forward competing bids, particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder’s bid to achieve the 50% minimum tender requirement imposed by the take-over bid rules.

By applying to all acquisitions of greater than 20% of the Company’s shares, except in limited circumstances including Permitted Bids (as defined in the Rights Plan), the Rights Plan is designed to ensure that all shareholders receive equal treatment. In addition, the Rights Plan is designed to prevent lock-up agreements that are not in the best interest of the Company or its shareholders and to encourage offerors to structure lock-up agreements so as to provide the locked-up shareholders with reasonable flexibility to terminate such agreements in order to deposit their shares to a higher value bid or support another transaction offering greater value.

Approval of the Rights Plan is not being proposed in response to or in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally. As of the date of this Circular, the Board is not aware of any third party considering or preparing any proposal to acquire control of the Company.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan, which summary is qualified in its entirety by reference to the terms of the Rights Plan.

Effective Date

The effective date of the Rights Plan is January 6, 2020 (the “Effective Date”).

Term

If shareholders do not approve the Rights Plan at the Meeting, it will terminate at the close of the Meeting. If shareholders approve the Rights Plan, it must be subsequently reconfirmed at every third annual meeting following the Meeting. If the Rights Plan is not so reconfirmed or is not presented for reconfirmation at such annual meeting, the Rights Plan and all outstanding Rights thereunder shall terminate and be void and of no further force and effect on and from the date of termination of such annual meeting.

Issuance of Rights

As at the Effective Date, one Right was issued and attached to each of the Company’s outstanding shares and has and will attach to each share subsequently issued.

Rights Exercise Privilege

The Rights will separate from the Company’s shares and will be exercisable ten trading days (the “Separation Time”) after a person has acquired, or commences a take-over bid to acquire, 20% or more of the Company’s shares, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan (a “Permitted Bid”). The acquisition by any person of 20% or more of the Company’s shares (an “Acquiring Person”), other than by way of a Permitted Bid, is referred to as a “Flip-in Event”. Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten trading days after the occurrence of the Flip-in Event, each Right (other than those held by the Acquiring Person), will permit the purchase of \$180 worth of Company’s shares for \$90.

Certificates and Transferability

Prior to the Separation Time, the Rights are evidenced by the registered ownership of the Company’s shares (whether or not evidenced by a certificate representing the shares) issued from and after the Effective Date and are not to be transferable separately from the Company’s shares. From and after the Separation Time, the Rights will be evidenced by separate certificates that will be transferable and traded separately from the Company’s shares.

Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- A. the take-over bid must be made to all holders of record of the Company’s shares, other than the offeror;
- B. the take-over bid must contain the following irrevocable and unqualified conditions:
 - (i) no shares shall be taken up or paid for:
 - (a) prior to the close of business on a date which is not less than 105 days following the date of the bid, or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of NI 62-104 for which a take-over bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
 - (b) unless, at the close of business on the date shares are first taken up or paid for under such bid, more than 50% of the then outstanding shares held by shareholders other than the offeror, its affiliates and persons acting jointly or in concert with other persons (the “Independent Shareholders”) shall have been tendered or deposited pursuant to the bid and not withdrawn;
- C. unless the take-over bid is withdrawn, shares may be tendered or deposited at any time during the period which applies pursuant to the clause summarized in B(i)(a) above, and any shares tendered or deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
- D. if the condition summarized in B(i)(b) above is satisfied, the offeror must make a public announcement of that fact and the take-over bid must be extended for a period of not less than ten days from the date of such public announcement.

The Rights Plan also allows for a competing Permitted Bid (a “Competing Permitted Bid”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except for those set out in B(i)(a) above.

Waiver

The Board, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event (an “Exempt Acquisition”) where the take-over bid is made by a take-over bid circular to all the holders of the Company’s shares. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for the Company made by a take-over bid circular to all holders of shares prior to the expiry of any other bid for which the Rights Plan has been waived.

Redemption

The Board with the approval of a majority vote of the votes cast by shareholders (or the holders of Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem the Rights at \$0.00001 per share. Rights may also be redeemed by the Board without such approval following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Amendment

The Board may amend the Rights Plan with the approval of a majority vote of the votes cast by shareholders (or the holders of Rights if the Separation Time has occurred) voting in person and by proxy at a meeting duly called for that purpose. The Board without such approval may correct clerical or typographical errors and, subject to approval as noted above at the next meeting of the shareholders (or holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation.

Board of Directors

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Company. The Board, when a Permitted Bid is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate.

Exemptions for Investment Advisors

Investment advisors (for fully managed accounts), mutual funds, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Recommendation of the Board of Directors

Rights plans have been adopted and reconfirmed by a large number of publicly-held corporations in Canada. The Board has reviewed the Rights Plan for conformity with current practices of Canadian issuers with respect to shareholder rights plan design and has confirmed that the terms of the Rights Plan are substantially similar to those plans. Based on its review, the Board has determined that it is advisable and in the best interests of the Company and its shareholders that the Company has in place a shareholder rights plan in the form of the Rights Plan.

The Board reserves the right to alter any terms of or not proceed with the Rights Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and its shareholders to do so, in light of any developments subsequent to the date of this Circular.

At the Meeting you will be asked to approve the following ordinary resolution:

“BE IT RESOLVED THAT;

1. The Shareholder Rights Plan of the Company as set forth in the shareholder rights plan agreement between the Company and Computershare Investor Services Inc. dated as of January 6, 2020, as set out in Schedule “A” of the Company’s management information circular dated March 11, 2020, is hereby ratified and approved; and the Company is authorized to issue Rights pursuant thereto; and
2. Any one or more of the Directors and officers of the Company are hereby authorized and directed to execute and deliver all such documents and to do or cause to be done all such other acts and things as they may deem necessary or desirable to give effect to or carry out the intent of this resolution, including but not limited to making such filings as may be required by the rules and policies of the TSX.

Accordingly, the Board recommends a vote “FOR” the ratification and approval of the Rights Plan Resolution. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the approval of the Rights Plan.

7. AMENDMENT OF THE ARTICLES TO ADOPT ADVANCE NOTICE PROVISIONS

On January 6, 2020, the Board adopted an advance notice policy which is effective until immediately after the Meeting. At the Meeting, shareholders will be asked to consider a special resolution to amend the articles of the Company to provide for the advance notice of director nominations (the “Advance Notice Provisions”).

Purpose of the Advance Notice Policy

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with a clear framework respecting the nomination of persons for election as directors of the Company. The Advance Notice Provisions establish a deadline by which holders of record of common shares of the Company must submit nominations for election of directors of the Company prior to any annual general meeting of shareholders or special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors. Furthermore, the Advance Notice Provisions set forth the information that a shareholder must include in a written notice to the Company in order for a nominee to be eligible for election as a director of the Company at any annual general meeting of shareholders or special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors.

A copy of the proposed Advance Notice Provisions to be included in the articles of the Company is attached to this Information Circular as Schedule “B”. The Company’s current articles are available under the Company’s SEDAR profile at www.sedar.com.

Summary of the Advance Notice Provisions

The following is a summary of the principal terms of the Advance Notice Provisions, which summary is qualified in its entirety by reference to the terms of the Advance Notice Provisions.

Nomination of Directors

Only persons who are eligible under the BCBCA and who are nominated in accordance with the procedures set forth in the Advance Notice Provisions will be eligible for election as directors of the Company.

Timely Notice

The Advance Notice Provisions provide that:

- Where a nomination is made at an annual general meeting of shareholders, notice to the Company must be given not less than 30 days prior to the date of the annual general meeting provided however, that in the event the annual general meeting is to be held on a date that is less than 50 days after the date on which the announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such announcement.
- In the case that the meeting is a special meeting of the shareholders (but not also an annual general meeting), such notice must be made not later than close of business on the 15th day following the date on which the announcement of the date of the special meeting was made,

provided that, in either instance, if the Company uses “notice-and-access” (as defined in National Instrument 54-101 – **Communications with Beneficial Owners of Securities of a Reporting Issuer**) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in above, and the notice date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

Proper Form of Timely Notice

The Advance Notice Provisions also require that the notice of nomination include certain information on each person proposed to be nominated for election as well as certain information regarding the nominating shareholder.

If shareholders do not approve the Advance Notice Provisions resolution, the articles of the Company will not be amended to add the Advance Notice Provisions.

At the Meeting you will be asked to approve the following special resolution:

“BE IT RESOLVED THAT;

1. The articles of the Company be amended to incorporate, the advance notice provisions as set out in Schedule “B” of the Company’s management information circular dated March 11, 2020; and
2. Any one Director or Officer of the Company be and is hereby authorized and directed to all such acts and things and to execute and deliver, under the corporate seal or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.

The Board recommends a vote “FOR” the approval of the Advance Notice Provisions resolution. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the approval of the Advance Notice Provisions.

8. AMENDMENT OF THE ARTICLES WITH RESPECT TO OTHER MATTERS

At the Meeting, shareholders will be asked to consider a special resolution to amend the articles of the Company with respect to certain other matters to bring the articles in line with current corporate governance best practices prevalent among reporting issuers in Canada (the “Additional Amendments”).

The Additional Amendments are attached to this Information Circular as Schedule “C”. The Company’s current articles are available under the Company’s SEDAR profile at www.sedar.com.

The following is a summary of the Additional Amendments that are proposed to be made to the articles of the Company, which summary is qualified in its entirety by reference to the terms of the Additional Amendments.

Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two shareholders holding, in the aggregate, no less than 25% of the total class or series of shares entitled to vote at the meeting whether in person or by proxy.

The quorum necessary for the transaction of the business of the Directors is a majority of the Directors then in office. No business other than the adjournment of the meeting may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting. If a person entitled to be chair in accordance with the articles of the Company is not present, then the shareholders have a right to elect a chair for the meeting provided there is quorum.

Directors

If the Company is a public company, the number of Directors to be elected to the Board of Directors is at least five. The provisions with respect to alternate Directors or the appointment of an attorney of the Company to manage or supervise the management of the business and affairs of the Company have been removed.

At the Meeting you will be asked to approve the following special resolution:

“BE IT RESOLVED THAT;

1. The articles of the Company be amended in accordance with Schedule “C” of the Company’s management information circular dated 11 March, 2020; and
2. Any one Director or Officer of the Company be and is hereby authorized and directed to all such acts and things and to execute and deliver, under the corporate seal or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.

The Board recommends a vote “FOR” the approval of the Additional Amendments resolution. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the approval of the Additional Amendments.

9. OTHER BUSINESS

Following the conclusion of the formal business to be conducted at the Meeting, we will:

- provide an update on our 2019 business operations; and
- invite questions and comments from shareholders.

As of the date of this Circular, management of the Company is not aware of any changes to the items listed above and does not expect any other business to be brought forward at the Meeting.

BOARD AND GOVERNANCE HIGHLIGHTS

Board composition and independence

Our Board is currently comprised of nine Directors, of whom seven are independent. 78% of current Board members are independent. We recognize that without an independent Chairman, strong representation by Independent Directors is important to ensuring we continue to maintain an effective and engaged Board. To that end, we have appointed a Lead Independent Director and all of our Board Committee members are Independent Directors. Our Independent Directors hold private sessions, led by the Lead Independent Director, without management present at every Board meeting and at other times as required.

Board renewal

At the Meeting, we will be putting eight nominees for election as Directors, of whom six (75%) are independent and all of whom bring with them a diverse and complimentary skill set considered necessary to enable the Board to fulfil its duties.

We continue to review the composition of our Board in order to maintain an appropriate balance of diverse skills, experiences and capabilities as is appropriate to our business. We recognize that certain of our Directors have served the Company for a number of years and we are continuing our work, through the Nominating and Governance Committee, to refresh the make up of the Board. While we have not set a specific target for the appointment of women Directors to our Board, a particular emphasis will be placed on adding additional women to the Board over time. The Board has retained an independent search firm to assist with the identification and evaluation of potential new directors with a brief to ensure we continue to achieve Board diversity.

Diversity

We have adopted a Board and Senior Executive diversity policy which takes into account diversity in its broadest sense, not just gender. We are also committed to diversity throughout the organization and not just at the Board and Senior Executive levels, recognizing the diverse geographical locations and environments within which we operate. For more details on our Diversity Policy, see "Diversity Policy" at page 58 in this Circular, where you can find out more about our approach.

Average Age of Directors:	Percentage of Women Directors:	Percentage of Women Executive Officers
65	25%	28%

(after the retirement of Paul Brunner)

Understanding our business

All new Directors undergo a detailed induction program. The program includes a detailed summary of the business, its culture and its obligations as a Canadian company listed on the Toronto Stock Exchange ("TSX"). In addition, new Directors visit mine sites outside of the scheduled Board visits as required to accelerate their understanding of the operations and to meet with local staff. Directors are provided with opportunities to attend ongoing educational sessions on subjects of relevance. During the year Directors visited our operations at Cobre Panama and in Zambia and Finland. During these visits Directors were provided with opportunities to meet with local management and staff.

Other governance highlights

- CEO and Lead Independent Director Position Statements
- Annual Advisory Vote on Executive Compensation
- Compensation Clawback Policy
- Annual Election of Directors
- Director and NEO Shareholding Requirements
- Majority Voting Policy
- Externally Facilitated Board Effectiveness Review
- Code of Ethics
- Board Interlock Guidelines
- Anti Hedging Policy

BOARD OF DIRECTORS

ABOUT OUR NOMINEES

PHILIP K. R. PASCALL – CHIEF EXECUTIVE OFFICER AND CHAIRMAN



Western Australia,
Australia
Age: 72

Experience

Co-founder of the Company in 1996. Honours degree in Control Engineering Sussex University. MBA University of Cape Town. General management positions in South Africa from 1973-81, including with RTZ and E.L. Bateman. Project Manager of the Argyle Diamond Project in Western Australia between 1981-1982. Executive Chairman and part owner of Nedpac Engineering between 1982 and 1990. Involved in a wide variety of mineral projects in Australia, New Zealand, S.E. Asia, Chile, the United States, and Zimbabwe. Consultant in the mining industry, including Rio Tinto's Hamersley Iron and with various projects in Zimbabwe and Zambia.

Independent:	No
Outside Directorships in past five years:	None
Director Since:	June 19, 1996
2019 Election Voting Results:	97.3% in favour
2019 Meeting Attendance:	100%
Share and Share Unit Ownership:	5,772,725 shares 373,250 PSUs 1,105,130 Options
Share Value at December 31, 2019:	C\$76,026,788
Number of Shares Required:	264,073
Share Ownership Guidelines:	Met

G. CLIVE NEWALL - PRESIDENT



West Sussex, England
Age: 70

Experience

Co-founder of the Company in 1996. Honours degree in Mining Geology from the Royal School of Mines, Imperial College (1971). MBA from Scottish Business School Strathclyde University. Worked in mining and exploration throughout his career. Senior management positions with Amax Exploration Inc. and the Robertson Group Plc. Non-Executive Director of Baker Steel Resource Trust Limited and previously Gemfields Plc.

Independent:	No
Outside Public Company Directorships in past five years:	Baker Steel Resource Trust Limited and Gemfields Plc
Company Director Since:	May 1, 1996
2019 Election Voting Results:	98.6% in favour
2019 Meeting Attendance:	100%
Share and Share Unit Ownership:	2,677,774 shares 61,354 PSUs 197,559 Options
Share Value at December 31, 2019:	C\$35,266,284
Number of Shares Required:	102,328
Share Ownership Guidelines:	Met

ROBERT J. HARDING – LEAD INDEPENDENT DIRECTOR

Ontario, Canada
Age: 62

Experience

Bachelor of Mathematics from the University of Waterloo in 1980. Qualified Chartered Accountant (Canada 1981). Began his career at a major accounting firm before joining Hees International (now Brookfield) where he served in progressively senior roles including Controller, Chief Financial Officer, Chief Operating Officer, and ultimately, Chief Executive Officer in 1992. Previously also served on the Boards of Manulife Financial Corporation and NexJ Systems Inc.

Outside Directorships in past five years:	Former Director and Chairman of Brookfield Asset Management, Inc.; former Director & Chairman of Norbord, Inc.
Company Director Since:	May 7, 2013
2019 Election Voting Results:	98.1 % favour
2019 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	20,002 shares 26,322 DSUs
Share Value at December 31, 2019:	C\$263,426
DSU Value at December 31, 2019:	C\$346,664
Number of Shares required:	29,156
Share Ownership Guidelines:	Met

ANDREW B. ADAMS – INDEPENDENT DIRECTOR

Ontario, Canada
Age: 63

Experience

B.A in Social Science from Southampton University. Qualified as a Chartered Accountant (UK 1981). Worked for the Anglo American group of companies for 12 years, including Vice President and Chief Financial Officer of AngloGold North America. Vice President and Chief Financial Officer (1999 to 2003) Aber Diamond Corporation. Currently, an independent non-executive Director of Torex Gold Resources and Chairman of TMAC Resources Inc.

Outside Directorships in past five years:	Non-Executive Director of Torex Gold Resources Inc., and TMAC Resources Inc.
Company Director Since:	June 6, 2005
2019 Election Voting Results:	96.4 % in favour
2019 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership*:	75,000 shares 27,744 DSUs
Share Value at December 31, 2019:	C\$987,750
DSU Value at December 31, 2019:	C\$365,390
Number of Shares required:	22,953
Share Ownership Guidelines:	Met

*All of Mr. Adams' shares are held by CSABA Holdings Inc., a company over which Mr. Adams and his spouse exercise control.

PETER ST. GEORGE – INDEPENDENT DIRECTOR



New South Wales,
Australia
Age: 73

Experience

Qualified as a Chartered Accountant in South Africa. MBA from the University of Cape Town. Worked in senior positions in the investment banking industry for over 30 years in the United Kingdom and Australia. Currently a non-executive Director of Dexus Property Group, an ASX-listed Australian property group. Has a background of business in Africa and brings to the Board a wide business experience gained in a number of countries, a sound knowledge of financial markets and finance as well as having the benefit of serving on a number of public companies.

Outside Directorships in past five years:	Non-Executive Director of Dexus Property Group
Company Director Since:	October 20, 2003
2019 Election Voting Results:	97.6 % in favour
2019 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	506,900 shares
Share Value at December 31, 2019:	C\$6,675,873
Number of Shares required:	22,953
Share Ownership Guidelines:	Met

KATHLEEN A. HOGENSON – INDEPENDENT DIRECTOR



Texas, USA
Age: 59

Experience

BS in Chemical Engineering earned in the U.S. Chief Executive Officer and founder of Zone Oil and Gas. Held executive positions at Santos Limited and Unocal Corporation. Serves on the Advisory Board of the Women's Global Leadership Conference. Independent Director of Verisk Analytics and Cimarex Energy having previously served on the Board of Parallel Petroleum LLC. Previously an advisor to Samsung Oil & Gas LLC and Samsung C&T from 2008 to 2015.

Outside Directorships in past five years:	President, Chief Executive Officer and Executive Director of Zone Oil & Gas Houston; Non-Executive Director at Verisk Analytics and Cimarex Energy
Company Director Since:	May 5, 2017
2019 Election Voting Results:	99.9%
2019 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	39,437 shares
Share Value at December 31, 2019:	C\$519,385
Share Ownership Guidelines:	Met

SIMON J. SCOTT – INDEPENDENT DIRECTOR

London, UK
Age: 62

Experience

Bachelor of Commerce from the University of the Witwatersrand, Johannesburg (1979). Bachelor of Accountancy from the University of the Witwatersrand, Johannesburg (1982). Qualified Chartered Accountant (South Africa 1983). Director and Chief Financial Officer of Lonmin plc. & Acting Chief Executive of Lonmin plc. (2010-2016). Director and Chief Financial Officer of Aveng Limited (2009-2010). Head of Financial Services Anglo Platinum Limited & Director Rustenburg Platinum Mines Limited (2005-2009). Director and Chief Executive of Anglo Platinum Shared Services (Pty) Ltd. (2001-2004).

Outside Directorships in past five years:	Non-Executive Director of AngloGold Ashanti Holdings plc; Former Director and Chief Financial Officer of Lonmin plc. & Acting Chief Executive of Lonmin plc
Company Director Since:	May 3, 2018
2019 Election Voting Results:	99.9%
2019 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	12,380 shares
Share Value at December 31, 2019:	C\$163,045
Share Ownership Guidelines:	Required to be met by May 3, 2023

DR. JOANNE K. WARNER – INDEPENDENT DIRECTOR

Sydney, Australia
Age: 58

Experience

Bachelor of Applied Science (Applied Chemistry), University of Technology, Sydney (1988) Doctor of Philosophy, Solid State Chemistry, University of Oxford, UK (1992). Non-executive Director of Geo40 Limited (2018 – present). Head of Global Resources for Colonial First State Global Asset Management (2010-2017). Senior Portfolio Manager, Global Resources for Colonial First State Global Asset Management (2003-2007).

Outside Directorships in past five years:	Non-executive Director of Geo40 Limited
Company Director Since:	May 9, 2019
2019 Election Voting Results:	99.9%
2019 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	0
Share Value at December 31, 2019:	N/A
Share Ownership Guidelines:	Required to be met by May 3, 2024

DIRECTOR EXPERTISE

Our Directors bring with them a broad variety of skills, experience and viewpoints garnered from across several industries. We seek to ensure that the Board as a whole has an appropriate and diverse mix of expertise coupled with an entrepreneurial approach applied in an environment of trust and transparency.

	Risk Management	Mining and Mining Operations	Strategic/ Business Development	Leadership/ Talent Development	Financial Expertise	International Experience	Governance/ Legal	EHS/CSR
Philip Pascall	✓	✓	✓	✓		✓	✓	✓
Clive Newall	✓	✓	✓			✓		✓
Robert Harding	✓		✓	✓	✓		✓	
Andrew Adams	✓	✓	✓	✓	✓	✓	✓	
Peter St. George	✓		✓	✓	✓	✓	✓	
Kathleen Hogenson	✓		✓	✓		✓	✓	✓
Simon Scott	✓	✓	✓	✓	✓	✓	✓	
Joanne Warner	✓	✓	✓	✓	✓	✓		✓

INDEPENDENT DIRECTORS' COMPENSATION AND SHARE OWNERSHIP

The following sections provide an overview of our compensation program and share ownership requirements for Independent Directors. Independent Directors are not officers or employees of the Company.

• Independent Director Compensation Structure

Base fee

Independent Directors receive an annual base fee equivalent to \$165,000. This fee is typically delivered as \$120,000 in cash and \$45,000 either in deferred share units ("DSUs") under the Deferred Share Units Plan (the "DSUP") or shares under the Automatic Share Purchase Plan (the "ASPP"). The Lead Independent Director receives an additional \$50,000 in cash in recognition of the additional duties attached to the role. There are no additional meeting attendance fees paid to our Directors but Committee membership fees are received as set out below.

Independent Directors do not receive any other cash incentive compensation or pension benefits.

Committee fees

All of our Independent Directors have taken on additional duties on our Board Committees and receive Committee fees over and above the annual base fee in recognition of the additional duties undertaken as a result of those appointments.

Annual compensation levels for our Independent Directors are as set out below:

FEES ^{USD}	Director	Audit	EHS&CSR	Compensation	N&G	DSU/ASPP Value
Member	\$120,000	\$15,000	\$10,000	\$10,000	\$5,000	\$45,000
Lead/Chair	\$50,000	\$30,000	\$20,000	\$20,000	\$10,000	N/A

Independent Directors do not receive any other cash incentives or pension benefits nor do they participate in the Company's share incentive plans.

• Description of the DSUP and ASPP

a) DSUP

Under the DSUP, a notional unit, equal in value to a common share in the Company, is allocated to participating Independent Directors. The total annual value of the allocation is ultimately determined by the Board with 25% of the total annual allocation being made on the last day of each quarter. Directors are not able to redeem their DSUs until they leave the Board. Upon departure from the Board, Directors are entitled to a cash payment equal to the fair market value of one share for each DSU held.

b) ASPP

If an Independent Director elects not to participate in the DSUP, they may elect to allocate the equivalent dollar value towards the purchase of shares under the ASPP. Shares are purchased quarterly before March 31, June 30, September 30 and December 31 each year pursuant to a standing order. Directors are not permitted to sell shares acquired under the ASPP while they remain a Director.

If an Independent Director so chooses, she/he may also acquire shares outside of the DSUP or ASPP in order to meet the shareholding requirement. Shares acquired must be retained while they remain a Director on the Board. In 2019, 9,799 DSUs were allocated under the DSUP and 29,821 shares were purchased under the ASPP.

The Nominating and Governance Committee reviews fees paid to Independent Directors annually to evaluate the reasonableness of our Director compensation in relation to the duties and time commitment Directors undertake. The Nominating and Governance Committee considers that the level of fees remain appropriate and accordingly, the fees paid in 2019 and to be paid in 2020 remained unchanged.

Independent Directors' compensation for the year ended December 31, 2019 is set out below:

Name	Fees Paid in Cash	DSUP/ ASPP Allocation	All Other Compensation	Total
Peter St. George	155,000	45,000	Nil	200,000
Andrew Adams	147,500	45,000	Nil	192,500
Paul Brunner	150,000	45,000	Nil	195,000
Robert Harding	195,000	45,000	Nil	240,000
Joanne Warner ⁽¹⁾	116,525	Nil	Nil	116,525
Kathleen Hogenson	75,000	115,000	Nil	190,000
Simon Scott	105,920	91,580	Nil	197,500

(1) Dr. Warner was appointed to the Board on May 9, 2019 and elected to build her shareholdings outside the DSUP/ASPP and, accordingly, has received all of her fees in cash.

No other awards were granted to Independent Directors during 2019.

• Independent Directors Share Ownership Guidelines

The Board requires that all Independent Directors hold shares and/or DSUs with a value equal to at least \$360,000 (three times their current base cash fee). This target value is measured on a historic investment cost basis and must be met within five years of the Director's appointment date. The number of shares or DSUs owned when the target value is met represents the minimum number of shares a Director must continue to hold until retirement from the Board.

The following chart shows each Independent Director's information relevant to compliance with the Independent Directors Share Ownership Guidelines. Details of our executive Director's shareholdings are set out on page 45.

Independent Director	Target Value	Investment Costs	Number of Common Shares Owned	Number of DSUs Held	Compliant	Date to Meet Target Value
Peter St. George	360,000	7,174,082 ⁽¹⁾	506,900	Nil	Yes	Met
Andrew Adams	360,000	1,243,804 ⁽¹⁾	75,000	27,744	Yes	Met
Paul Brunner	360,000	1,081,625 ⁽¹⁾	87,981	Nil	Yes	Met
Robert Harding	360,000	395,146 ⁽¹⁾	20,002	26,322	Yes	Met
Kathleen Hogenson	360,000	402,134 ⁽²⁾	39,437	Nil	Yes	Met
Simon Scott	360,000	125,287 ⁽²⁾	12,380	Nil	N/A	2023
Joanne Warner	360,000	N/A	Nil	Nil	N/A	2024

(1) Calculated as at the date share ownership guideline was adopted.

(2) Calculated on the acquisition date of the shares up to the date share ownership guideline was met.

• Independent Directors' DSU and ASPP holdings

The following table shows the DSUs and shares acquired under the DSUP or ASPP by Independent Directors as at December 31, 2019.

Name	Number Held		Market Value ⁽¹⁾	
	DSUs	ASPP	DSUs	ASPP
Andrew Adams	27,744	Nil	275,393	N/A
Peter St. George	Nil	35,970	N/A	357,046
Paul Brunner	Nil	27,981	N/A	277,746
Robert Harding	26,322	Nil	261,278	N/A
Joanne Warner ⁽²⁾	Nil	Nil	N/A	N/A
Kathleen Hogenson	Nil	39,437	N/A	391,461
Simon Scott	Nil	12,380	N/A	122,887

(1) Amounts are based on the TSX share price C\$13.17 as at December 31, 2019 and are converted to US\$ based on C\$1.00 = US\$0.7537 (2019 annual average).

(2) Dr. Warner was elected to the Board on May 9, 2019.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The attendance of Directors at Board and Committee meetings is set out in the table below.

Our Directors remain committed to their duties, as demonstrated by 100% attendance during the year ended December 31, 2019 and, in the case of Joanne Warner, from the date of her election to the Board. All Directors also attended the 2019 Annual General Meeting in person.

Summary of Directors' Attendance at Board and Committee Meetings in 2019

Name of Member	Board Meetings	Audit Committee	Compensation Committee	Nominating and Governance Committee	EHS&CSR	Total Attendance ⁽²⁾
Philip K.R. Pascall	5 of 5	N/A	N/A	N/A	N/A	100%
Kathleen A. Hogenson	5 of 5	N/A	3 of 3	N/A	4 of 4	100%
G. Clive Newall	5 of 5	N/A	N/A	N/A	N/A	100%
Peter St. George	5 of 5	4 of 4	3 of 3	N/A	N/A	100%
Andrew B. Adams	5 of 5	4 of 4	N/A	3 of 3	N/A	100%
Paul Brunner	5 of 5	N/A	3 of 3	3 of 3	4 of 4	100%
Robert Harding	5 of 5	4 of 4	N/A	3 of 3	N/A	100%
Simon Scott	5 of 5	4 of 4	N/A	N/A	4 of 4	100%
Joanne Warner ⁽¹⁾	3 of 3	N/A	2 of 2	N/A	3 of 3	100%

(1) Dr. Warner was elected to the Board on May 9, 2019.

(2) Total attendance out of maximum possible.

OUR GOVERNANCE MODEL

THE BOARD

The Board executes many of its responsibilities through its Committees. The Board has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and an Environment, Health & Safety and Corporate Social Responsibility Committee (the “EHS&CSR Committee”) to support its work.

Our corporate governance policies and practices set out how we apply and operate our corporate governance model. A detailed description of our corporate governance practices in accordance with the applicable rules and standards of the Canadian Securities Administrators and the TSX is set out on pages 54 to 61 of this Circular.

Board Independence

Our Board is currently made up of 78% Independent Directors. All of our Board Committees are chaired by, and comprised entirely of, Independent Directors.

Private discussion sessions are held after every scheduled Board meeting at which the Independent Directors meet without the Chairman, President and other officers or employees of the Company present. These discussions are led by the Lead Independent Director who provides feedback to the Chief Executive Officer (the “CEO”) following each session. Independent Directors also meet either in person or via teleconference on other occasions as they consider appropriate.

We have a Board Interlocks Policy that requires Directors to seek approval from the Chairman for any outside board appointments. No two of our Directors are permitted to sit together on the board of another publicly listed company.

Effectiveness of the Board

Each year the Board takes time to reflect and assess its effectiveness in fulfilling its mandate. This process is led by the Lead Independent Director and Chairman of the Governance and Nominating Committee and is facilitated by the Corporate Secretary of the Company. In 2019, as in previous years, Searl Street Consulting, who are independent consultants, were engaged to manage the review and feedback process. The Directors each complete a comprehensive questionnaire covering matters related to the Board, each Committee and each individual Director. The questionnaire is structured to elicit comments and observations on performance and identify areas for improvement. The responses provided in the questionnaire are then discussed with each Director and Searl Street Consulting prior to the production of the final report to the Board. Directors also hold one-on-one meetings with the Chairman (at which Searl Street Consulting is present) to share and discuss the feedback from their individual reviews.

A combination of the personalized output from the effectiveness review and prevailing market trends and conditions inform the ongoing education provided to the Directors. In 2019, Directors received an in depth review of the Canadian governance landscape to ensure they remained fully informed and aware of their duties as Directors. Directors are also encouraged to identify areas where they feel on either an individual level or in a small group they may benefit from deeper education sessions. Furthermore, where possible, we aim to hold some Board meetings each year at our mine sites, providing an opportunity for Directors to gain a deeper understanding of the business and our local operations, including local community and corporate social responsibility (“CSR”) initiatives.

The approach to agenda setting is dynamic and aligned with the opportunities, challenges and risks facing the business as they arise. Such key issues are a focus at each Board discussion. Prior to each Board meeting the Lead Independent Director solicits input from the Independent Directors on specific topics they wish to have covered at the Board meeting over and above routine topics and those already proposed. The Independent Directors meet in private after the meeting, without management present to discuss further the key topics covered at the meeting after which the Lead Independent Director provides feedback to the CEO.

Board engagement

- **With the business**

The Board ordinarily meets in person a minimum of five times per year and in 2019 the Board held five scheduled meetings. The meetings held in July, October and December took place at our mine sites in Panama, Zambia and Finland, respectively. This provided Directors, and particularly those new to the Board, with opportunities to see mine sites at various stages in their life. Cobre Panama, the Company’s flagship development mine, was well into

commissioning at the time of the Board visit, enabling Directors to see year-on-year progress at the mine. The mines at Kansanshi and Sentinel are mid-life, with the mine in Finland being at the end of its life and moving towards closure. Directors were able to see firsthand the different challenges that present themselves at each stage of a mine's life and the innovative solutions applied to address those challenges by the Company's personnel. During each visit the Directors toured the mine sites and met with and received detailed presentations from local management on operations, safety and CSR programs and, as applicable, mine closure plans.

- **With our shareholders**

The Directors engage with our shareholders in a variety of ways that encourages an exchange of ideas in an environment of open dialogue. This includes at our annual general meetings, at conferences and via regular updates on conference calls at the time our results are announced and at other times as appropriate. If there is a matter of particular interest, we will engage with our major shareholders to seek their input and views. Shareholders are encouraged to raise matters of concern directly with the Company and/or our Directors.

- **With proxy advisors and other governance advisors**

Our Directors also engage with proxy agencies and various other governance advisors on matters of particular interest or more generally to discuss our governance approach. As in our discussions with shareholders, we aim to support the exchange of ideas and views by creating an environment of open dialogue.

COMMITTEES

The Board has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and an EHS&CSR Committee to assist it in fulfilling its duties.

All Committees have a clear delegation of authority from the Board as set out in each Committee charter.

- **Audit Committee**

Membership	Independent
Simon Scott (Chair)	YES
Peter St. George	YES
Robert Harding	YES
Andrew Adams	YES

The Audit Committee's primary function is to assist the Board in fulfilling its financial reporting and control responsibilities. It does this by reviewing the annual and quarterly financial statements, corresponding management's discussions and analyses ("MD&A"), earnings press releases and dividend proposals and making recommendations to the Board. The Audit Committee also monitors the internal control environment. Each member of the Audit Committee is a financial expert with considerable accounting and financial experience. The members of the Audit Committee also meet privately with the external auditor on a quarterly basis after each scheduled Audit Committee meeting. Further information on the Audit Committee, including a copy of its Charter, can be found in our most recent annual information form available on SEDAR at www.sedar.com.

2019 Audit Committee Highlights

The Audit Committee met four times in 2019 and highlights of its activities are set out below:

Financial reporting

- Reviewed the audited annual consolidated financial statements, the corresponding MD&A and press release and made recommendations to the Board for approval
- Reviewed and approved unaudited quarterly consolidated financial statements, the corresponding MD&A and press releases
- Approved the recommendations for interim and final dividends to the Board

External independent auditors

- Reviewed performance of auditors and agreed their fees
- Reviewed external auditor's quarterly closing reports
- Reviewed the appropriateness of and changes to accounting policies and practices
- Reviewed and approved the 2019 audit plan including the scope of the audit and materiality thresholds
- Reviewed and approved non-audit services provided by the auditors

Internal audit and risk management

- Received and considered the quarterly internal audit report
- Received and considered the 2020 internal audit plan
- Received and considered risk register updates
- Met with the Head of Internal Audit of the Company without executive management present

Other Committee deliberations

- Reviewed the Company's risk matrix
- Reviewed its own effectiveness and its own charter
- Reviewed quarterly summaries of accounting and reporting issues
- Reviewed quarterly earnings per share analysis
- Received and considered quarterly treasury reports
- Reviewed group insurance coverage including D&O insurance
- Received and considered reports on IT security and cyber risk
- Received an update on 2018 ESTMA (Extractives Sector Transparency Measures Act) report
- Reviewed the European Union's General Data Protection Regulation requirements and impacts

The Audit Committee meets privately with the external auditors after every meeting without management present.

• Nominating and Governance Committee

Membership	Independent
Robert Harding (Chair)	YES
Paul Brunner	YES
Andrew Adams	YES

The Nominating and Governance Committee reviews the Company's corporate governance practices in light of the standards and guidelines recommended or required by applicable corporate and/or securities regulatory authorities and stock exchanges, proxy advisory firms and other corporate governance organizations. A key component of the Nominating and Governance Committee's work is to oversee Board succession, a topic which the entire Board also actively considers on an ongoing basis. The Nominating and Governance Committee also reviews the Directors' relationship with management, assesses the independence and performance of each member of the Board (through the annual effectiveness review) and evaluates and recommends nominees for the Board in consultation with the

Company's Chairman and the Lead Independent Director. The Nominating and Governance Committee has engaged an executive search firm to assist with the process of refreshing the Board over time with a mandate to improve overall diversity, including but not limited to gender diversity, on the Board. It also appoints other third party consultants as it determines appropriate. It also reviews and recommends the amount and form of compensation for the Independent Directors for approval by the Board.

2019 Nominating & Governance Committee Highlights

The Nominating and Governance Committee met three times during 2019 and highlights of its activities are set out below:

Board composition

- Continued to work on the refreshing of the Board recommending Joanne Warner as a nominee for election to the Board in May 2019
- Recommended Directors for election/re-election at the 2019 AGM
- Kept under review Board composition, tenure and diversity issues

Board effectiveness

- Reviewed performance of the Board and Committees in conjunction with Searl Street Consulting
- Considered composition of the Committees and made recommendations to the Board on changes to improve effectiveness
- Reviewed matters relating to Board renewal
- Reviewed and recommended the Director continuous education program

Board compensation

- Kept under review the Independent Director compensation structure including with respect to the Committee member/chair compensation, making no recommendations for change during 2019.

Governance oversight

- Reviewed and discussed emerging issues in corporate governance
- Reviewed its own effectiveness
- Reviewed and made recommendations to the Board in respect of its own and other Committee charters.

• EHS&CSR Committee

Membership	Independent
Kathleen Hogenson (Chair)	YES
Paul Brunner	YES
Simon Scott	YES
Joanne Warner	YES

The EHS&CSR Committee reviews adherence by the Company to its environment, health and safety and, social policies and practices in accordance with applicable environmental, health and safety laws and regulations in those countries and locations in which the Company operates. The EHS&CSR Committee also reviews the effectiveness of the risk management policies and processes in those areas. Members of management responsible for environmental, health, safety and CSR issues present reports to the EHS&CSR Committee at each meeting and are available to answer questions raised by EHS&CSR Committee members. The EHS&CSR Committee also oversees the Company's CSR strategy and programs, including its approach to human rights and how the Company engages with local communities and considers and recommends best practices in key areas for the Company.

2019 EHS&CSR Committee Highlights

The EHS&CSR Committee met four times in 2019 and highlights of its activities are set out below:

Environmental oversight

- Reviewed and discussed quarterly environmental and safety reports with particular emphasis on significant breaches
- Reviewed the Company's practices and risks relating to active tailings storage facilities and dam structures and reviewed public disclosures in respect of all tailings storage facilities on the Company's website
- Completed onsite visits of tailings storage facilities at operations in Panama and Zambia
- Monitored compliance with environmental laws and regulations in operational countries
- Reviewed closed mine sites and ongoing obligations, including closure cost implications
- Reviewed the implementation status of the Company's environmental practices based on ISO 14001:2015 standards
- Reviewed responses to shareholder enquiries
- Reviewed the draft Environmental, Safety and Social Data Report 2019

Health & safety oversight

- Reviewed in detail major health & safety incident occurrences
- Reviewed environment and safety strategic/long term risks, with a particular focus on ground stability and control measures and emergency evacuations in open pit highwall areas
- Monitored compliance with health and safety laws and regulations in operational countries
- Reviewed independent audits of the implementation status of the Company's health and safety practices to OHSAS 18001 standards
- Reviewed the environmental assurance programs and the status of compliance audits and their actions plans
- Reviewed quarterly environmental and safety reports and the general manager's risk matrix
- Reviewed aviation services
- Reviewed medical evacuation practices

Corporate social responsibility ("CSR")

- Oversight of public reporting on CSR matters
- Undertook onsite visits at operations in Panama, Zambia and Finland and received firsthand review of actual CSR efforts

Other Committee deliberations

- Continued to assess and make recommendations for improvement to the Company's EHS&CSR disclosures
 - Reviewed EHS&CSR policies
 - Reviewed the suitability and effectiveness of the Company's risk management processes and capacity to respond effectively in the event of an emergency
 - Reviewed the Company's participation as signatory to international codes related to EHS&CSR
 - Reviewed the effectiveness of the THINK safety program
 - Reviewed its own effectiveness and its own charter
-

- **Compensation Committee**

Membership	Independent
Peter St. George (Chair)	YES
Paul Brunner	YES
Kathleen Hogenson	YES
Joanne Warner	YES

The Compensation Committee reviews and recommends for approval by the Board the CEO's compensation and reviews the CEO's recommendations with respect to the compensation of the Company's other named executive officers ("NEOs"). The Compensation Committee considers executive compensation throughout the year and makes any necessary determinations relating to executive compensation.

The Compensation Committee is responsible for obtaining information on executive compensation from a variety of sources, including independent consultants, compensation surveys and information from companies similar in size and function to that of the Company and then makes recommendations to the Board on compensation and its various elements. The Compensation Committee also reviews, identifies and mitigates risks that may be associated with the Company's compensation policies.

The majority of the Compensation Committee members have held senior management positions in public companies and has considerable experience in developing compensation programs, particularly in the context of executive compensation.

2019 Compensation Committee Highlights

The Compensation Committee met five times in 2019 and highlights of its activities are set out below:

Executive compensation

- Reviewed and approved the NEOs' incentive arrangements and recommended for Board approval the CEO's base salary, short term incentive and long term incentive award recommendations
- Approved the Company's aggregate short term and long term incentive awards to be granted
- Reviewed NEO performance scores against targets for 2019 as assessed by the CEO
- Reviewed NEO performance targets for 2020 as proposed by the CEO
- Reviewed and approved executives and senior management subject to "clawback"

Share plans

- Approved the outcome of the 2015 PSU awards and subsequent vesting thereunder
- Monitored the status of current PSU awards (2016, 2017, 2018 and 2019)
- Reviewed performance scores against targets in Year 1 for NEO participants in the KEYs plan
- Approved the granting of Options

Compensation oversight

- Engaged Willis Towers Watson, an independent compensation consultancy, to undertake a detailed review of executive management's overall compensation structure including the short term and long term incentive plans. In 2020, the Company intends to introduce changes to the executive compensation program with the objective of bringing more structure, transparency, and simplicity to goal setting, assessment of performance, and determination of incentive awards. Further information will be provided in next year's management information circular.
- Reviewed risks associated with the Company's compensation policies and program

Governance and reporting

- Reviewed and approved the 2019 Statement of Executive Compensation in the 2019 management information circular and related executive compensation disclosure
 - Reviewed its own effectiveness and its own charter
 - In collaboration with the Board, reviewed succession planning for senior management including the CEO
 - Confirmed the Company's NEO group
-

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

This section discloses all direct and indirect compensation provided to NEOs for services they have provided to the Company.

The following individuals were determined to be NEOs for the year ended December 31, 2019.

NEO	
Chief Executive Officer	Philip Pascall
President	Clive Newall
Chief Financial Officer	Hannes Meyer
Director, Operations	Wyatt Buck
Director, Projects	Zenon Wozniak

The determination of our NEOs is reviewed and confirmed by the Compensation Committee annually.

• Currencies

The base salaries and annual incentives for Messrs Pascall, Newall and Meyer are determined in US\$ while those for Messrs Buck and Wozniak are determined in AU\$. Any compensation paid in AU\$, C\$ or GBP has been converted to US\$ unless otherwise stated.

• Officers Who Also Act as Directors

The CEO and President also act as Directors of the Company. The CEO is also the Chairman. They are not paid any additional compensation as Directors or, in the case of the CEO, as Chairman.

COMPENSATION PHILOSOPHY

The Compensation Committee develops and oversees the implementation of executive compensation plans and policies that are intended to:

- attract and retain skilled and experienced executives and senior managers;
- motivate executives and senior managers to achieve corporate objectives and drive shareholder value; and
- link the personal financial interest of executives and senior managers to those of our shareholders.

We pay particular attention to the linkages between pay and performance for our NEOs, who each has similarly structured compensation arrangements that provide for a base salary, a short term incentive (“STI”) award and long term incentive (“LTI”) awards. Notwithstanding strong support for our compensation program from our shareholders, the Compensation Committee seeks to continually improve the effectiveness of its program.

Accordingly, during the year, the Committee appointed Willis Towers Watson to undertake a detailed review of the structure of our executive compensation plans and their effectiveness in attracting and retaining talent. The Company intends reflecting the recommendations of the report prior to the completion of our annual compensation cycle.

COMPENSATION DISCUSSION AND ANALYSIS

We have developed our compensation program to support the achievement of the Company’s goals by attracting, motivating, and retaining individuals who are key to our ongoing success. We aim to develop and operate safe and low cost mining operations, using our competitive advantage through management’s experience and expertise to construct and operate cost efficient operations. We also seek to expand internationally through the exploration and acquisition of mineral deposits to which we are able to add value. In achieving these goals we do so in a manner that respects the local communities where we operate and the surrounding environment. We continually investigate, monitor and seek out other opportunities worldwide where we can apply our expertise and which may provide balance to our geographic and commodity profile. It is our objective to add value for the benefit of all shareholders, while recognizing the interests of all stakeholders.

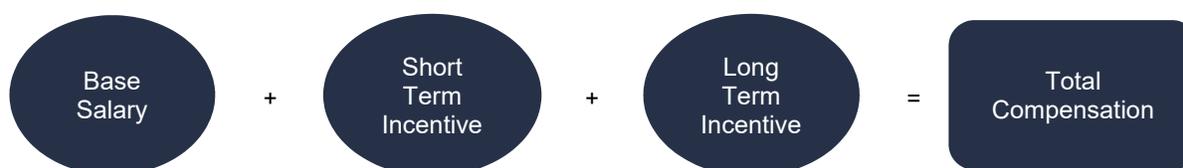
• The Company's Compensation Cycle

Our compensation cycle follows approximately six months after the year end. Base salaries are reviewed in May/June for implementation on July 1 of each year. STI and LTI awards are determined in May/June in respect of performance during the previous financial year ending December 31. Awards under these programs are notified and granted to employees in July. This deferral allows us adequate time to fully assess the merits and the quantum of incentive awards in respect of the prior year's Group performance, provides a degree of protection in the event of any financial reporting re-statement and, to a limited degree, acts as a further retention mechanism. Any additional awards under the KEYS Plan will be made outside of this annual compensation cycle.

A consequence of this long-standing policy is that awards granted in consideration of the performance in the most recent fiscal year ended are only finalized after the publication of this Circular. Accordingly, the tables below show incentive awards granted or paid in 2019 and are in respect of performance in the 2018 financial year, with the exception of KRSU awards, which were made in December 2018 and reported on last year.

• Compensation Framework

Each NEO's total compensation is comprised of three components:



Other than the standard health benefits and pension contributions applicable in the NEO's country of residence we do not provide any other perquisites to NEOs.

• Compensation Assessment

BASE SALARIES

The Compensation Committee meets in May to review the CEO's recommendations for the other NEOs' base salaries and to consider and approve the CEO's base salary for the current year. In determining the NEOs' base salaries the Compensation Committee examines the compensation of executives in other mining companies globally, with a particular focus on Canada, Australia and the UK. The current Comparator Index used for assessing the competitiveness of NEOs' base salaries is the Korn Ferry Hay Group ("KFHG") Mining Compensation Review ("MCR") and we aim to compensate our NEOs at least at the mid-point of the MCR's market based salaries.

The KFHG Global MCR database is comprehensive. It includes the full range of executive positions in 75 mining companies with over 240 operating units/locations in 13 countries, covering more than 2,100 incumbents. Several databases from the MCR are used, including the Australian, UK and global markets. This is done to ensure that the evaluation is fair in the country in which the NEO works and confirms that compensation is competitive versus the global market from which such NEOs are recruited. The Compensation Committee undertakes periodic independent exercises to confirm KFHG's findings with a focused group of peers. This was last completed in 2015 by Hugessen Consulting ("Hugessen").

• Short and Long Term Incentive Awards

We determine STI and LTI awards as follows:

- At the start of the year, each NEO proposes short and long term performance objectives (the "Performance Objectives") for the year ahead;
- The CEO's Performance Objectives are reviewed and approved by the Compensation Committee after discussion with the CEO;
- Our other NEOs' Performance Objectives are reviewed and agreed with the CEO who in turn reviews them with the Compensation Committee;
- Following the finalization of the annual accounts the CEO proposes short and long term award pools to cover all employees. These pools are reviewed and approved by the Compensation Committee and take into account the financial performance of the Company for the year just completed and the Company's financial position at the year end; and

- The Compensation Committee meets in May each year to review each NEO's results against the prior year's Performance Objectives. This review is led by the Compensation Committee chairman in the case of the CEO, and the CEO in the case of other NEOs. The Compensation Committee reviews and will either recommend modification of or approve the CEO's recommendations. Each Performance Objective attracts a percentage that contributes to the overall 'performance score'. Outcomes are then judged in light of the complexity and difficulty of achieving the objectives set and a subjective weighting factor is applied to the raw performance score obtained by analysis against objectives. Performance against short and long term objectives are assessed separately. These results are used to determine an individual's STI and LTI awards for the previous year.

NEOs have individual target percentages for STI and LTI awards which are set in light of their specific roles and responsibilities. The STI award amounts to be paid and LTI awards to be granted are based on a function of that NEO's target percentage and performance against objectives and reflect the overall award pool sizes determined for that year.

On completion of this exercise, the Compensation Committee reviews and approves the Performance Objectives for the current year and sets the target percentages of base salary for STI and LTI awards applicable to each of the NEOs.

Awards made under the Company's key employee unit plan (the "KEYs Plan") are assessed outside of this cycle and on a calendar year basis of January to December. The same underlying Performance Objectives as more fully described below apply.

- **Performance Targets**

The Compensation Committee considers Performance Objectives using quantitative and qualitative measures to determine NEOs' total compensation.

The Performance Objectives address six key **Focus Areas**:

- Safety;
- Financial Results;
- Business Execution;
- Business Development and Strategy Advancement;
- People Performance; and
- External Relations.

The **Safety Focus Area** is determined by Company-wide safety metrics, where site ratings can potentially range from 'very poor' to 'excellent'. Site based ratings combine for a Company-wide rating against which all NEOs are measured. These include objective measures for lost time incidents and fatalities. These ratings are based on internationally recognized safety metrics and have been approved by the EHS&CSR Committee. Any rating below 'good' results in a reduction of the STI awarded.

The **Financial Results Focus Area** consists of objectives that reflect an NEO's contribution to the financial performance of the organization based on a variety of measures. Examples of such measures include changes in the profitability of the Company, the maintenance of a strong balance sheet, the management operating performance within budget and the provision of adequate cash flow to fund capital projects. The over-arching basis for measurement of these objectives is the financial performance of the Company.

The **Business Execution Focus Area** addresses the operational aspects of the organization such as initiatives to improve efficiencies, increase recoveries, reduce costs, advance the progress of the development of projects and improve environmental performance.

The **Business Development and Strategy Advancement Focus Area** encourages a more strategic focus towards advancing shareholder value. Objectives may include project identification and acquisition, developing merger and acquisition strategies, expanding joint venture opportunities or identifying the most profitable customers for the Company's products.

The **People Performance Focus Area** is aimed at attracting, retaining and developing the most appropriate talent for the Company. This can range from creating the right climate to attract and retain employees, through to focusing on staff development initiatives to improve the bench strength of existing human resources.

Finally, the **External Relations Focus Area** encourages healthy relationships with the communities and governments in the various countries in which the Company operates. This includes a focus on positive CSR, as well as developing responsible and effective business relationships with appropriate governments, agencies and regulators, and with our shareholders through our investor relations program.

The Focus Areas concentrate on actions that will advance our goals over the coming year. They ensure that areas of strategic importance are clearly articulated, given the greatest priority and advanced. Performance in each of these focus areas is measured against a combination of objective and subjective criteria. Each of the six Focus Areas is assigned a Performance Objective weighting percentage specific to each NEO and his or her ability to impact the Focus Area through their area of responsibility. These signify the value that each gives to the short and long term outcomes required.

• Compensation Consultants

In 2019 the Company retained KFHG as independent compensation consultants to provide a competitive market analysis and global market data for setting an appropriate level of compensation for executives, including NEOs. KFHG was requested to provide competitive market compensation information for each NEO position. The Compensation Committee retained Hugessen Consultants (“Hugessen”) as independent consultants during 2019 and has retained Willis Towers Watson as independent consultants in 2020.

During 2019 Willis Towers Watson presented to the Compensation Committee a comprehensive report on our Executive Compensation practices and trends in executive compensation to ensure that our NEO remuneration is reflective of best practice from a governance perspective.

The total professional fees related to executive compensation advisory services that the Company paid to KFHG, Hugessen and Willis Towers Watson in 2018 and 2019 are set out below:

Consultant	2019 (US\$)		2018 (US\$)	
	Executive Compensation Related Fees	Other Service Fees	Executive Compensation Related Fees	Other Service Fees
KFH Group	\$23,555	–	\$29,961	–
Hugessen	\$8,888	–	\$60,850	–
Willis Towers Watson	\$64,411	–	NIL	–

None of KFHG, Hugessen or Willis Towers Watson received any fees from the Company in 2019 for services other than set out above. Based on this and other relevant factors, we determined that all three consultants are considered independent. It is important to note that, while we retain the services of consultants to assist in benchmarking and advise on total compensation for the NEOs, the Compensation Committee retains the authority to remunerate the NEOs in light of unique roles in the Company beyond the limits of comparative analysis.

COMPENSATION OUTCOME

After reviewing the market data for the various NEOs and considering recommendations from the CEO, the Compensation Committee decided in May 2019 to increase the base salaries of all NEOs. As market conditions had improved and associated salaries within comparator companies increased, it was considered prudent to award moderate increases in 2019.

Comparative figures for July 1, 2017, July 1, 2018 and July 1, 2019 are as follows:

NEO	Base Salary July 1, 2019 (\$)	Base Salary July 1, 2018 (\$)	Base Salary Earned 2017 (\$)	% Base Salary Increase 2019
Philip Pascall, CEO	1,225,000	1,200,000	1,200,000	2%
Clive Newall, President	630,000	620,000	620,000	2%
Hannes Meyer, CFO	630,000	615,000	575,000	2%
Wyatt Buck, Director, Operations ⁽¹⁾	441,389	440,553	425,385	8%
Zenon Wozniak, Director, Projects ⁽¹⁾	505,685	496,556	482,870	9%

⁽¹⁾ Salary paid in A\$ has been converted to US\$ as follows: A\$1.00 = \$0.6951 for 2019 (year average) and A\$1.00 = \$0.7467 for 2018 (year average). Due to the exchange rate drop in 2019, base salary increase calculations are based on A\$ rather than US\$.

SHORT TERM INCENTIVE AWARDS

The STI award is designed to encourage short term performance by rewarding individuals for their performance against agreed objectives for the year just completed, taking into account overall Company performance.

The 2018 targets and maximum STIs for NEOs ranged between 100% and 200% and between 150% and 250% of annual base salary, respectively.

The STI awards paid in 2019 for performance in 2018 were as follows:

NEO	Minimum	Target	Maximum	Short Term Incentive Award (\$)	Percentage of Target Award	Percentage of Annual Base Salary
Philip Pascall, CEO	0%	200%	250%	1,300,000	54%	108%
Clive Newall, President	0%	150%	200%	230,000	25%	37%
Hannes Meyer, CFO	0%	100%	150%	350,000	57%	57%
Wyatt Buck, Director, Operations	0%	100%	150%	168,207	38%	38%
Zenon Wozniak, Director, Projects	0%	100%	150%	288,455	58%	58%

The basis for the determination of these awards for each NEO is set out under "Detailed Discussion of NEOs 2018 Performance and Incentive Awards" (see pages 41 to 43).

LONG TERM INCENTIVE AWARDS

The purpose of the LTI awards is to create alignment with shareholder interests and to promote the long-term success of the Company by providing equity based incentive awards to eligible employees, including the NEOs, and to assist in attracting and retaining individuals with superior experience and ability.

The Company uses four types of LTI awards to meet those objectives: restricted share units (“RSUs”), performance share units (“PSUs”), stock options (“Options”) and restricted share units issued under the KEYs Plan (“KRSUs”).

RSUs	PSUs	Options	KRSUs
<ul style="list-style-type: none"> • RSUs are share units of the Company that payout on a one for one basis three years after grant. • Awards are subject to remaining an employee of the Company until the vesting date. • Employees who voluntarily leave the Company or have their employment terminated for cause forfeit all unvested RSUs. • Dividend equivalents are paid on unvested RSUs. • Upon vesting of RSUs, the employee receives shares or at the employee’s option, their value in cash. 	<ul style="list-style-type: none"> • PSUs are share units of the Company subject to performance based vesting. If the hurdles are met they vest into shares on a one for one basis. • Performance is measured over three years with no retesting. • Awards are subject to remaining an employee of the Company until the vesting date. • Dividend equivalents are paid on unvested PSUs. • Employees who voluntarily leave the Company or are terminated for cause forfeit all unvested PSUs. • Upon vesting of PSUs, the employee receives shares or at the employee’s option, their value in cash. 	<ul style="list-style-type: none"> • Options are awarded under the Company’s approved 2004 Option Plan. • The strike price is set at the closing price of the shares on the TSX the day prior to the Board’s approval of the award. • Awards vest over three years in equal tranches. • Awards can be exercised net of the strike price. • Awards eligible to be exercised can also be converted into Share Appreciation Rights (SARs), which enable the Option holders to be paid the cash value of the Option at the time of vesting. • Employees who voluntarily leave the Company or are terminated for cause forfeit all unvested Options. 	<ul style="list-style-type: none"> • KRSUs are share units of the Company subject to time and performance based vesting. • Awards vest in 5 tranches over years four to eight. 15% vest in year 4, 20% in each of years 5, 6 & 7 and 25% in year 8. • Performance is measured annually on a cumulative basis over the life of the award. If performance over the applicable period meets the required hurdle, KRSUs vest and are settled in shares on a one-for-one basis. • Awards are subject to remaining an employee of the Company on a vesting date. • Dividends are paid out only on the vesting of awards. • Employees who voluntarily leave the Company or are terminated for cause forfeit all unvested KRSUs. • Upon vesting of KRSUs, the employee receives shares in the Company

The mix of LTI awards varies with NEOs receiving primarily PSUs and Options, and in some instances KRSUs.

Dividend equivalents are paid on all RSUs, PSUs and KRSUs as a component of compensation. The dividend equivalents are calculated based on the number of unvested RSUs, PSUs and KRSUs held. Shares are purchased on market to satisfy obligations under the LTI plans and the KEYs Plan. These shares are held in an employee trust. Dividends on shares held in trust for a KEYs Plan participant are retained in trust and paid to such participant on vesting of KRSUs. While the dividend amounts are a very modest component of compensation, the Board believes they do play a role in keeping employees connected to Company performance and shareholder value.

PSU PERFORMANCE BASED VESTING

PSU Performance Metrics

Since 2015, PSU awards have measured performance on both an absolute and relative Total Shareholder Return (“TSR”) basis.

The PSU awards are divided into two tranches:

Tranche A, which comprises 60% of the total PSU award, is based on Relative TSR performance. The Company’s relative TSR is measured over the 3 year performance period and compared to the TSR of an index of mining companies forming part of the S&P/TSX Capped Diversified Metals & Mining Index and the FTSE Mining Index (together the “Comparator Group Index” or “CG Index”).

Tranche B, which comprises 40% of the total PSU award, is based on Absolute TSR performance. If certain demanding “stretch” criteria are met, LTI awards may be up scaled by 50%.

Performance benchmarks for each metric are reviewed by the Compensation Committee at the time grants are made. The performance benchmark for the 2019 PSU awards were unchanged from the previous year and are described below.

The Compensation Committee’s view is that the application of these two performance metrics provides a more balanced basis for performance measurement and, over the longer term, will better reflect the return experience of shareholders. The TSR at the end of the performance period is measured on the volume weighted average trading price per share on the TSX during the immediately preceding 20 trading days.

CG Index

The composition and weighting of the CG Index is reviewed annually and is subject to Board approval. The composition of the CG Index is set for the three year life of that award; however, the composition of the CG Index may vary between awards. The principles underlying the CG Index have remained constant over the life of the PSU Plan. The CG Index is derived from major mining stocks which form part of relevant indices on the TSX and London Stock Exchange. Each mining company in the CG Index is given a weighting which is applied to the TSR that company has achieved, and this in turn determines the overall performance of the CG Index. The weighting reflects the perceived relevance of that company to the Company. Thus, mining companies whose performance is primarily driven by copper and whose size and geographic spread are similar to the Company’s would attract a high weighting, those that have limited copper exposure a low weighting, whilst those with a more balanced portfolio would have a medium weighting. The CG Index is based on the performance of a single share of the company in the CG Index. In this way, size does not become a predominant factor in measuring the performance of the CG Index company. Size, however, is one factor taken into account in determining the relevance as a benchmark of a CG Index company. The CG Index rules contain conventional protocols for adjustment should a constituent company no longer be listed during the performance period. As well, the Board may approve the addition of new companies (for example when a new mining company is listed) to the CG Index where appropriate. The last review was in respect of the 2019 awards (eligible to vest in 2022), and at that time the Board decided to make some minor changes to the CG Index weightings and, recognizing that the price of copper has an important effect on the Company’s share price, added the LME Copper Price as a component of the CG Index.

Performance benchmarks for each PSU award are reviewed by the Compensation Committee at the time grants are made.

The CG Index for the 2019 PSU awards granted are as follows:

2019 CG Index

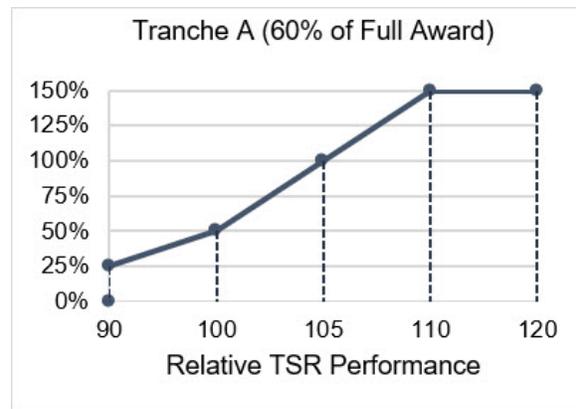
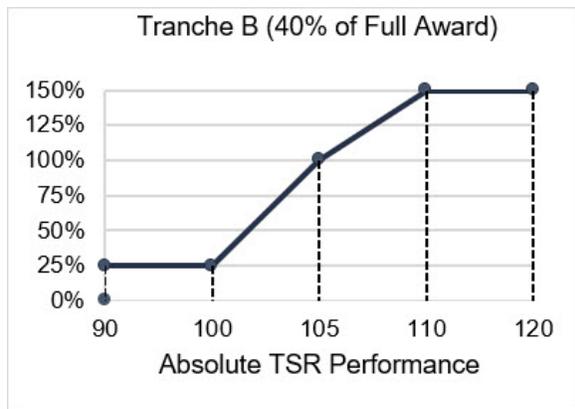
Weighting	Companies
1 (lowest)	Barrick Gold Corp, BHP Billiton Plc, Glencore Xstrata, Newmont Mining Corp, Rio Tinto Plc.
2 (medium)	Anglo American Plc, Boliden AB, Freeport McMoRan Copper and Gold, Ivanhoe, Lundin Mining, South 32, Sumitomo Metal Mining, Teck Cominco Ltd, Turquoise Hill Resources, Vale Do Rio Doce Cia ADR
3 (highest)	Antofagasta Plc, Hudbay Minerals, Kaz Minerals Plc, Oz Minerals, Southern Copper Corp
6% of CGI	LME Copper Price

PSU Hurdles

The vesting hurdles for the 2019 PSU Awards are:

Tranche A: If the Company's TSR is below 90% of the CG Index performance, no Tranche A awards vest. If the Company's TSR is at 90% of the CG Index 25% of Tranche A awards vest. If the Company's TSR equals the CG Index, 50% of the Tranche A award vests. A further 50% vests if the Company's TSR exceeds the CG Index by 5%. Additionally, if the Company's performance exceeds the CG Index by more than 10%, an additional 50% of Tranche A awards vest. Tranche A awards vest on a straight line basis between each of these levels.

Tranche B: If the Company's TSR has decreased by more than 10%, no Tranche B awards vest. If the Company's TSR is between 10% below the share price and the matching starting price, 25% of Tranche B awards vest. If the Company's TSR is between the matching start price and 5% above the starting price, 50% to 100% of Tranche B awards vest calculated on a pro-rata, straight line basis. If the Company's TSR is between 5% and 10% above the starting price, up to a further 50% of Tranche B awards vest calculated on a pro-rata straight line basis, to a maximum of 150%. These hurdles are slightly altered from earlier awards in recognition of the changing profile of the CG Index companies and recognizing the overly demanding nature of the previous hurdles.



Long Term Incentive Outcomes

The 2016 PSU award vested in June 2019. The Absolute TSR performance hurdle exceeded the upper threshold at that date while the Relative TSR measure did not reach the vesting threshold, resulting in 60% of the 2016 PSU awards being vested and the remainder forfeited.

KRSU PERFORMANCE BASED VESTING

KEYs Plan Performance Metrics

Performance targets for awards under the KEYs Plan are set individually and comprise a mixture of corporate and personal measures individually tailored and weighted to reflect the specific and unique contribution expected of each participant against the Performance Objective areas described on pages 34 to 35.

Assessments under the KEYs Plan are scored out of a maximum 100 points per year. An individual is required to achieve a minimum of 300 points in the first four years following the grant of the award in order for the first vesting to occur on the fourth anniversary of the grant date (i.e., the individual must achieve an average of 75 points of the target

over the four years), and this threshold will increase by 75 points in each successive year. Failure to achieve the requisite score at any vesting date will result in the tranche eligible to vest on such vesting date being forfeited.

The KEYs Plan performance criteria are thus designed to require the participating individuals to demonstrate consistent superior contribution over time. An illustrative example of a vesting schedule over the life of an award is set out below. In the example, the participant scored 74 points in year one, 77 points in year two (an aggregate score of 151), 81 points in year three and 68 points in year four, taking the total aggregate score to 300. As this meets the 300-point threshold, the full 15% of KRSUs in Tranche 1 will vest. The following year, the participant's aggregate score of 374 falls below the required threshold of 375, and as a result, the KRSUs in Tranche 2 will be forfeited (and permanently lost). Subsequent achievement of the required performance level sees full vesting in the remaining years.

Year	KEYs score	Aggregate score	KEYs threshold	Outcome
1	74	74	75	N/A
2	77	151	150	N/A
3	81	232	225	N/A
4	68	300	300	Tranche 1 (15%) vests
5	74	374	375	Tranche 2 (20%) forfeited
6	79	453	450	Tranche 3 (20%) vests
7	76	529	525	Tranche 4 (20%) vests
8	80	609	600	Tranche 5 (25%) vests

The KEYs Plan was introduced in 2018 and has been highly effective to date in meeting its strategic objectives. Although further grants are permitted within the limits of the scheme, no further awards have been made since the initial grants. Potential additional awards will be reviewed in the coming year. In line with the requirements of the KEYs Plan, the performance of all individuals during 2019 was appraised with individual scores for the first year ranging from 75 to 97 points out of a potential 100 points.

Options

On August 5, 2016 the Company re-introduced Options into its LTI award mix and has granted Options to certain key employees under its 2004 Option Plan, including to each of the NEOs. The Option awards were relatively modest as the Options are intended to provide an additional level of performance pay for key employees and not intended to be the primary incentive tool. On August 4, 2019, the Company allotted a further award of Options, including to the NEOs. Overall Options at the time granted represented approximately 0.25% of the Company's issued capital.

The 2019 Options were issued at an exercise price of C\$13.72 per share and will vest in three equal tranches at July 1, 2020, 2021, and 2022. The Options expire on August 4, 2024.

2019 LTI Awards Granted to NEOs

LTI Awards, were comprised of PSUs and Options for the NEOs in 2019. The awards of PSUs and Options were determined based on the NEOs' performance in the previous year and the extent to which their agreed Performance Objectives improved the shareholder value proposition and contributed to the strategic direction of the Company.

The aggregate value of the 2019 LTI awards granted to NEOs, other than the CEO, ranged between 63% and 113% of 2018 base salaries and in the case of the CEO, were granted at the maximum LTI target of 250% of annual base salary.

Award values for these purposes were calculated at "face value" based on the 20 day volume-weighted average price per share on the TSX prior to July 1, 2019 without any adjustment for the probability of vesting. As discussed below the economic value of these awards is approximately 50% of their face value.

The individual awards were as follows:

NEO	Minimum	Maximum	2019 PSU Award (\$) ⁽¹⁾	2019 Stock Options (\$) ⁽²⁾	% of Base Salary
Philip Pascall, CEO	0%	250%	1,500,000	1,500,000	250%
Clive Newall, President	0%	250%	230,000	230,000	74%
Hannes Meyer, CFO	0%	200%	350,000	300,000	106%
Wyatt Buck, Director, Operations	0%	200%	137,816	137,817	63%
Zenon Wozniak, Director, Projects	0%	200%	280,545	280,544	113%

(1) The PSU awards were determined based on a share price of US\$8.56 (being the volume weighted average price of the last 20 trading days prior to the grant date – July 18, 2019).

(2) The fair market value of the Options on the date the commercial decision to grant the Options was made in August 2019 was C\$13.72 and this number was used in determining the number of Options to be granted.

Detailed Discussion of NEOs' 2018 Performance and Incentive Awards

The following tables set out the performance against objectives of each of the NEOs in 2018 that formed the basis of their STI and LTI awards granted in July 2019.

PHILIP PASCALL, CEO

Criteria	Safety ¹	Business Development and Financial Results		Business Execution		Strategy Advancement		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	-10%	10%	10%	25%	20%	25%	30%	15%	20%	25%	20%
Achievement as of Dec. 31, 2018	0%	7%	7%	22%	17%	20%	23%	12%	16%	19%	16%
Short Term Incentive Assessment	Mr. Pascall received an STI award of \$1,300,000 in 2019 for his performance in 2018 (2018 (for performance in 2017): \$1,000,000). Mr. Pascall's STI award took into consideration the success of the Cobre Panama project and the optimization of debt and assets through prudent management of financial factors. These factors contributed significantly to Mr. Pascall's STI award, as did the solid operational performance of most of the operations and the efficiencies implemented at the major sites. Mr. Pascall's STI award also recognized the continued focus on improving the bench strength of the organization, as demonstrated by the availability of internal resources to support and start up new operations.										
Long Term Incentive Assessment	Mr. Pascall was awarded 175,234 PSUs in 2019 for his performance in 2018 and awarded 496,689 Stock Options. His LTI awards were based in part on his continued leadership in progressing initiatives of strategic importance to the business, including but not limited to the Cobre Panama project. It also took into consideration a number of business development initiatives championed by Mr. Pascall to broaden the Company's footprint, and provide diversification. Other initiatives recognized in this award included further development of the leadership capability and bench strength across the Group.										

CLIVE NEWALL, PRESIDENT

Criteria	Safety ¹	Financial Results		Business Execution		Business Development and Strategy Advancement		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	-10%	10%	10%	25%	25%	20%	20%	10%	10%	35%	35%
Achievement as of Dec. 31, 2018	0%	7%	8%	20%	21%	13%	13%	6%	6%	25%	26%
Short Term Incentive Assessment	Mr. Newall received a STI award of \$230,000 in 2019 for his performance in 2018 (2018 (for performance in 2017): \$210,000). This STI award considered his continued management of relations with Company stakeholders, including bankers, analysts, fund managers, institutional shareholders and other interested parties. The STI award also took into consideration Mr. Newall's leadership in recruiting a skilled investor relations Director who is highly regarded in the industry. Areas which negatively impacted on the outcome of the STI award included the under-performance of the share price in comparison to the Company's peer group.										
Long Term Incentive Assessment	Mr. Newall was awarded 26,869 PSUs in 2019 for his performance in 2018 and awarded 76,159 Options. His LTI award recognised his substantial endeavours in exploring a large number of business development opportunities and his effort in maintaining relationships to ensure a continued pipeline of projects. Mr. Newall's LTI awards also recognised the continued strong communication to the market to ensure a balanced media and investor coverage on the Company.										

HANNES MEYER, CFO

Criteria	Safety ¹	Financial Results		Business Execution		Business Development and Strategy Advancement		Funding		People Performance		External and Internal Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	-10%	20%	20%	10%	10%	15%	15%	15%	15%	15%	15%	25%	25%
Achievement as of Dec. 31, 2018	0%	14%	11%	8%	8%	12%	11%	13%	11%	11%	11%	19%	19%
Short Term Incentive Assessment	Mr. Meyer received an STI award of \$350,000 in 2019 for his performance in 2018 (2018 (for performance in 2017): \$243,000). This STI award considered Mr. Meyer's leadership in identifying financial structuring and tactical opportunities to enhance profitability, including the issue of bonds and a move away from project financing. It also recognized his continued good relationships with the various banks and bond holders and his ability to manage expectations of all stakeholders.												
Long Term Incentive Assessment	Mr. Meyer was awarded 35,047 PSUs in 2019 for his performance in 2018 and awarded 99,338 Options. This LTI award was in recognition of the substantial effort in improving the overall bench strength of the teams under his control, including the significant improvement to the IT infrastructure and personnel, and Mr. Meyer's tireless contribution to external relationships particularly in some of the more challenging jurisdictions in which the Company operates.												

WYATT BUCK, DIRECTOR, OPERATIONS

Criteria	Safety ¹	Financial Results		Business Execution		Business Development and Strategy Advancement		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	-10%	15%	20%	16%	10%	30%	30%	15%	20%	24%	20%
Achievement as of Dec. 31, 2018	0%	9%	14%	11%	8%	22%	22%	12%	16%	16%	14%
Short Term Incentive Assessment	Mr. Buck was awarded an STI award of \$168,207 in 2019 for his performance in 2018 (2018 (for performance in 2017): \$169,742) which recognised his performance in managing multiple operations in a variety of challenging jurisdictions. In particular, the award recognised the good work done to identify workable processes for pilot projects underway at those sites whose life of mine under current scenarios, is approaching and identifying strategies to mitigate the potential impact on those communities supported by the mine.										
Long Term Incentive Assessment	Mr. Buck was granted 16,100 PSUs and 45,635 Options in 2018 as long term incentive in recognition of his contribution to the operating strategy of the Company and the continued excellent relationships with the governments and communities in all countries in which Mr. Buck had oversight. Additionally, the award recognised Mr. Buck's strategic approach to the planning and preparation for reopening the Ravensthorpe Nickel Mine ("RNO") including piloting alternative product treatment at working mines in preparation for use at RNO.										

43

FIRST QUANTUM MINERALS LTD.

ZENON WOZNIAK, DIRECTOR, PROJECTS

Criteria	Safety ¹	Financial Results		Business Execution		Business Development and Strategy Advancement		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	-10%	25%	30%	40%	25%	10%	15%	15%	20%	10%	10%
Achievement as of Dec. 31, 2018	0%	21%	25%	35%	24%	8%	11%	11%	17%	8%	8%
Short Term Incentive Assessment	Mr Wozniak was awarded an STI award of \$288,455 in 2019 (for his performance in 2018) (2018 (for performance in 2017): \$258,303). This was in recognition of his continued strong performance in progressing the Cobre Panama project despite significant challenges and the completion of a number of works in Zambia to improve operability. Under his supervision, the Projects group's focus on safety and efficiency has been exemplary despite significantly increased volume and complexity of the work undertaken.										
Long Term Incentive Assessment	Mr Wozniak was granted 32,774 PSUs and 92,895 Options in 2018 as long term incentive in recognition of his strategic approach to implementing projects to provide a step change in throughput at Sentinel and progressing initiatives at Cobre Panama to increase the revenue stream. The award was also in recognition of the strength and capability of the Projects team and Mr Wozniak's role in achieving this.										

(1) Each operational site is measured on a monthly basis for any lost time incidents and the severity of such incidents. This results in a rating (ranging from 'poor' to 'excellent'), which when calculated over the 12 month period, determines a deduction of between 0 and 10% for annual bonus purposes. During 2019 the Company recorded good safety performance at its operations and as such performance against the safety measure did not negatively impact the overall weighting for all NEOs.

The below table sets out the CEO's compensation for the five year period 2015 to 2019.

Year	Salary (\$USD)	Short Term Incentive Awards(\$)	PSU Awards (\$)	Option Awards (\$)	All Other Compensation (\$)	Total Compensation (\$)
2019	1,225,000	1,300,000	1,500,000	1,500,000	2,554	5,527,554
2018	1,200,000	1,000,000	1,200,000	1,200,000	2,602	4,602,602
2017	1,200,000	650,000	1,000,000	1,000,000	2,874	3,852,874
2016	1,120,000	500,000	249,396	953,069	4,754	2,827,219
2015	1,040,000	1,000,000	976,000	Nil	24,575	3,040,575

COMPENSATION "AT RISK"

A significant portion of the NEOs' compensation is variable and "at risk", which reflects their ability to affect the achievement of our strategic goals, as shown in the table below:

NEO Pay Mix and Total Compensation "at Risk Compensation" Allocation

NEO	Base Salary	Short Term Incentive Target	Long Term Incentive Target
Philip Pascall, CEO	18%	36%	46%
Clive Newall, President	22%	33%	45%
Hannes Meyer, CFO	25%	25%	50%
Wyatt Buck, Director Operations	25%	25%	50%
Zenon Wozniak, Director Projects	25%	25%	50%

COMPENSATION RISK ASSESSMENT

The Board has delegated responsibility to the Compensation Committee to review, identify and mitigate risks associated with its compensation policies. The Compensation Committee reviews compensation-related risks on an ongoing basis. This includes ensuring that the Company's executive compensation policies are designed not to encourage an NEO or an individual at a principal business unit or division to take inappropriate or excessive risks in order to achieve individual short term compensation objectives or outcomes that are not consistent with the long term interests of the Company's shareholders. To achieve this, the Compensation Committee ensures that the Company's compensation policies are structured consistently throughout the Company.

All NEOs have similarly structured compensation arrangements. These provide for a base salary, an STI award and LTI awards. The STI awards are based on a range of Performance Objectives as described above, none of which have the effect of encouraging excessive risk taking. Safety is incorporated directly into each NEO's Performance Objectives.

Grants of RSUs and PSUs are based either on service or relative performance against a selected peer group and are satisfied, if the LTI requirements are met, by the delivery of shares or cash at the end of the three-year vesting period. Grants of KRSUs are made on a case-by-case basis to individuals with a proven track record of adding value within the Company and who are considered to have unique talents critical to the Company's future.

Both the STI and LTI awards are capped at a percentage of base salary. As noted, in August 2019 Options were granted as part of the Company's compensation program to certain senior management and NEOs. However, the vesting terms provide for the Options to vest equally over a three-year period and the Compensation Committee does not believe these Options grants create any additional compensation related risks. These Option awards are layered over the existing stock option vesting periods, which mitigates against the risks associated with one-time vesting dates.

The deferred nature of a significant portion of the NEOs' total compensation, the form of compensation in shares for LTIs and the time and performance based conditions for LTI awards, in the Compensation Committee's view, mitigate against excessive risk taking. Furthermore, the Committee believes that the broad range of objectives used in the STI and LTIs provide an appropriate balance between short and longer term incentives. Accordingly, the Compensation Committee has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

CLAWBACK POLICY

In February 2014, the Compensation Committee recommended, and the Board approved, an Executive and Senior Management Clawback Policy (the "Clawback Policy"). The objective of the Clawback Policy is to establish and reserve

the right of the Company to require repayment of all or a portion of any bonus, incentive-based or equity based compensation awarded or granted to an executive officer or senior manager in the event of a restatement of all or a portion of the Company's interim or annual financial statements. All LTI awards (including KRSUs) are contingent on formal acceptance of the Clawback Policy by executive officers and senior management.

NEO SHARE OWNERSHIP

The Board requires that all NEOs hold shares in the Company. In December 2015, the Board revised the Named Executive Officer Share Ownership Guidelines. The CEO is required to have invested on a historic investment cost basis a minimum four times his base salary in shares; the President, who is also an executive Director, is required to have invested on a historic cost basis three times his base salary; all other NEOs are required to have invested on a historic cost basis one time their base salary (as applicable the "NEO Target Value"). NEOs must meet the NEO Target Value within 5 years of becoming a NEO. In addition, each KEYs Plan participant will be required to continue to hold at least 50% of the shares received at each vesting point for 12 months from vesting (the balance of any award may be sold to meet tax and other withholding obligations falling due on vesting). These obligations specific to KEYs Plan participants, will fall away in the event of a change of control.

These NEO Share Ownership Guidelines must have been met by October 2018 or within five years of appointment for new NEOs. The number of shares owned by the NEO at the time he or she meets the NEO Target Value represents the minimum number of shares the NEO must continue to own to satisfy the guideline as long as they remain employees of the Company. The investment costs of shares held by the NEOs at the time the Company first introduced the NEO Share Ownership Guidelines were valued at the closing market price of the shares on the TSX on the date of the introduction of the guidelines and shares acquired subsequently are valued at market value cost.

The following chart shows each NEO's information relevant to compliance with the Named Executive Officer Share Ownership Guidelines.

NEO	2019 Salary (\$)	Multiple of Base Salary	Target Value (\$)	Number of Shares Required to be owned ⁽³⁾	Number of Shares Owned	Date to Meet Target Value
Philip Pascall	1,225,000	4x	264,073	264,073 ⁽¹⁾	5,772,725	MET
Clive Newall	630,000	3x	102,328	102,328 ⁽¹⁾	2,677,774	MET
Hannes Meyer	630,000	1x	27,836	27,836 ⁽²⁾	73,425	MET
Zenon Wozniak	505,685	1x	505,685	-	33,878	2023
Wyatt Buck	441,389	1x	441,389	-	21,333	2023

(1) Calculated based on the NEO Target Value divided by the closing share price on the TSX on the date the share ownership guideline was met (being the closing share price on the TSX on October 18, 2013 closing share price of C\$18.71 and exchange rate of C\$1.00=\$0.9715).

(2) Calculated based on the NEO Target Value divided by the share price on the date the share ownership guideline was met (being the closing share price on the TSX on July 16, 2015 of C\$15.62 and exchange rate of C\$1.00=\$0.773).

(3) The number of shares required to be owned by Mr. Wozniak and Mr. Buck will be determined when each such NEO first meets the NEO Target Value.

Anti-Hedging Policy

Our Directors and NEOs are not permitted to hedge against their unvested LTI awards or shareholdings in the Company.

SUMMARY COMPENSATION TABLE

• Summary Compensation Table Showing Compensation of NEOs

The following table sets forth particulars concerning the compensation of the NEOs for the Company's three most recently completed financial years ended December 31, 2019, December 31, 2018 and December 31, 2017. Share awards and annual incentive plan awards shown for 2019 are based on 2018 performance.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Share Based Awards (\$) ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Annual Incentive Plans (\$)	Option Based Awards ⁽⁴⁾	All Other Compensation (\$) ⁽³⁾⁽⁷⁾	Total Compensation (\$)
Philip K. R. Pascall ⁽⁸⁾ Chairman, Chief Executive Officer	2019	1,225,000	1,500,000	1,300,000	1,500,000	2,554	5,527,554
	2018	1,200,000	1,200,000	1,000,000	1,200,000	2,602	4,602,602
	2017	1,200,000	1,000,000	650,000	1,000,000	2,874	3,852,874
G Clive Newall ⁽⁸⁾ President	2019	630,000	230,000	230,000	230,000	1,936	1,321,936
	2018	620,000	210,000	210,000	210,000	1,757	1,251,757
	2017	620,004	173,600	186,000	173,600	1,886	1,155,090
Hannes Meyer Chief Financial Officer	2019	630,000	350,000	350,000	300,000	13,753	1,643,753
	2018	615,000	243,000	243,000	243,000	28,743	1,372,743
	2017	575,000	199,876	213,025	199,878	51,850	1,239,629
Wyatt Buck Director, Operations	2019	441,389	137,816	168,207	137,817	446	885,674
	2018	440,553	129,151	169,742	129,151	15,624	884,221
	2017	425,385	88,142	242,308	86,217	844	842,896
Zenon Wozniak Director, Projects	2019	505,685	280,545	288,455	280,544	862	1,356,091
	2018	496,556	4,232,472	258,303	232,472	16,009	5,235,812
	2017	482,870	181,731	258,655	177,766	1,571	1,102,593

(1) For disclosure purposes, salary paid in C\$ has been converted to US\$ as follows: C\$1.00 = \$0.7537 for 2019 (year average); C\$1.00 = \$0.7715 for 2018 (year average); C\$1.00 = \$0.7704 for 2017 (year average). Salary paid in A\$ has been converted to US\$ as follows: A\$1.00 = \$0.6951 for 2019 (year average); A\$1.00 = \$0.7467 for 2018 (year average); A\$1.00 = \$0.7665 for 2017 (year average).

(2) For disclosure purposes, all share-based awards paid in Canadian dollars have been converted to US\$ (based on the exchange rate on the first business day following the grant) as follows: C\$1.00 = \$0.7638 (as at July 1, 2019); C\$1.00 = \$0.7580 (as at July 1, 2018); C\$1.00 = \$0.7711 (as at July 1, 2017); Option awards are disclosed separately under Option Based Awards.

(3) For disclosure purposes, all other compensation paid in Canadian dollars has been converted to USD as follows: C\$1.00 = \$0.7537 for 2019 (year average); C\$1.00 = \$0.7715 for 2018 (year average); C\$1.00 = \$0.7704 for 2017 (year average); and any other compensation paid in Great British Pounds have been converted to USD as follows: GBP1 = \$1.2761 for 2019; GBP1 = \$1.3351 for 2018; GBP1 = \$1.2877 for 2017 (year average).

(4) In 2019, all NEOs received share based awards in the form of PSUs and option-based awards in the form of Options. The PSUs were valued on the Grant Date (July 1, 2019) at Fair Market Value (assuming a share price of C\$11.21 – (the volume weighted average price per share on the TSX over the 20 trading days immediately prior to the grant date), and using the Monte Carlo Simulation (51.8% probability of vesting). The decision of the number of Options to be granted was made in August 2019. The formal grant date was August 4, 2019, when Option awards were valued at the grant date fair value of C\$13.72 with a C\$1.00 = \$0.7570 exchange rate at August 4, 2019.

(5) In 2018, all NEOs received share based awards in the form of PSUs and option-based awards in the form of Options. The PSUs were valued on the Grant Date (July 1, 2018) at Fair Market Value (assuming a share price of C\$20.42 – (the volume weighted average price per share on the TSX over the 20 trading days immediately prior to the grant date), and using the Monte Carlo Simulation (33.4% probability of vesting). The decision of the number of Options to be granted was made in August 2018. The formal grant date was August 4, 2018, when Option awards were valued at the grant date fair value of C\$9.96 with a C\$1.00 = \$0.7705 exchange rate at August 4, 2018.

(6) In 2017, all NEOs received share based awards in the form of PSUs and option-based awards in the form of Options. The PSUs were valued on the Grant Date (July 1, 2017) at Fair Market Value (assuming a share price of C\$10.76 – (the volume weighted average price per share on the TSX over the 20 trading days immediately prior to the grant date), and using the Monte Carlo Simulation (33.7% probability of vesting). The decision of the number of Options to be granted was made in June 2017. The formal grant date was June 26, 2017, when Option awards were valued at the grant date fair value of C\$5.44 with a C\$1.00 = \$0.7551 exchange rate at June 26, 2017.

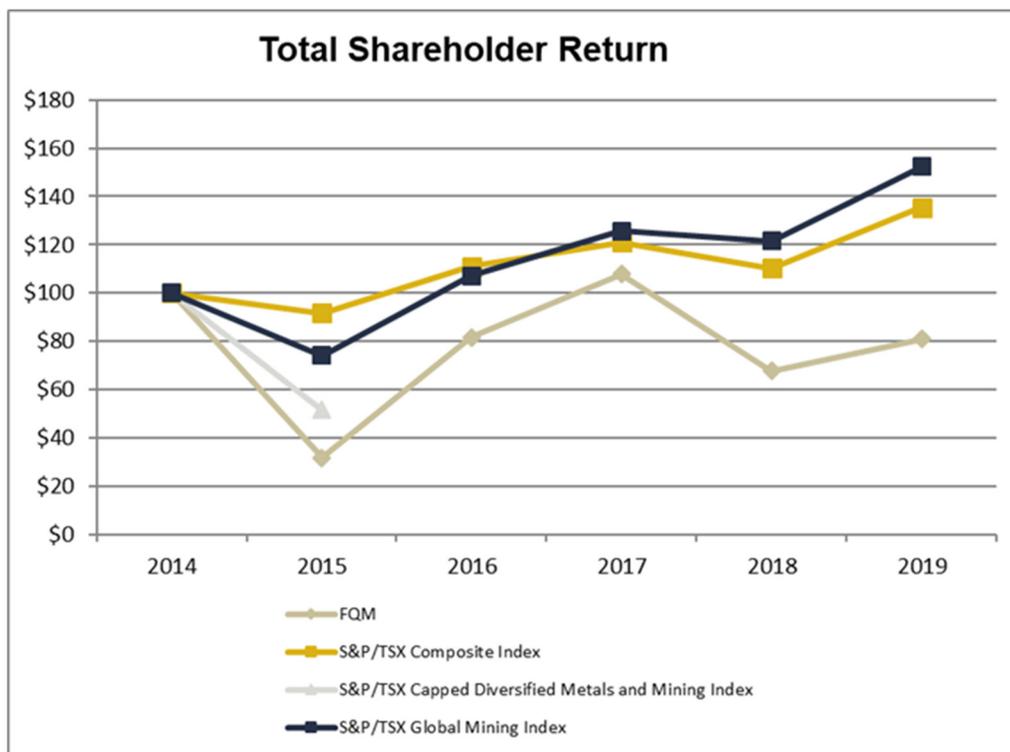
(7) The All Other Compensation consists of dividend equivalents paid on share based awards and tax adjusted allowances. The Company pays dividend equivalents on all unvested share based awards (other than KRSUs) in accordance with the Company's Dividend Policy. 2017 dividend equivalency payments were made on unvested RSUs/PSUs on May 8, 2017 for \$0.05 per unit and September 19, 2017 for \$0.05 per unit. 2018 dividend equivalency payments were made on unvested RSUs/PSUs on May 8, 2018 for \$0.05 per unit and September 19, 2018 for \$0.05 per unit. 2019 dividend equivalency payments were made on unvested RSUs/PSUs on May 7, 2019 for \$0.05 per unit and September 19, 2019 for \$0.05 per unit.

(8) Messrs Pascall and Newall also serve as Directors of the Company and do not receive any compensation relating to such services.

PERFORMANCE GRAPH

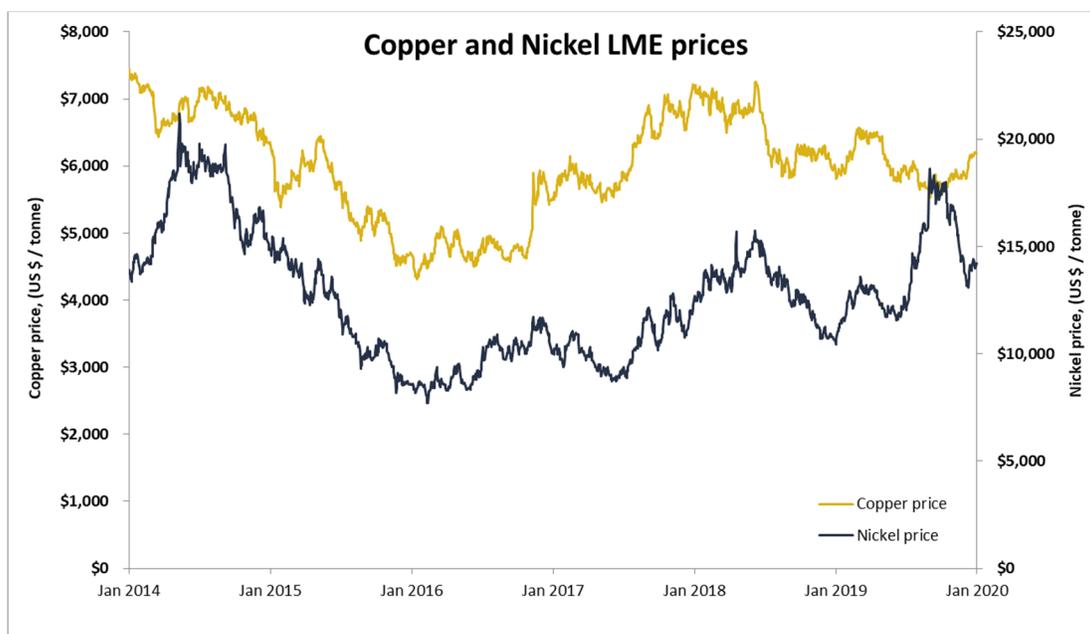
The following information and chart compares the Company's five year share price performance had C\$100 been invested in the Company on December 31, 2014 with the performance of the S&P/TSX Composite Index and the TSX Global Mining Index.

Total Shareholder Return



	2014	2015	2016	2017	2018	2019
First Quantum Minerals Ltd.	100	32	82	108	68	81
S&P/TSX Composite Index	100	92	111	121	110	136
S&P/TSX Capped Diversified Metals and Mining Index	100	52	N/A	N/A	N/A	N/A
S&P/TSX Global Mining Index	100	74	107	126	122	152

As with all public companies, the Company's share price is influenced by company performance, world economic circumstances and market sentiments. In the resource sector, share price movement is often highly correlated to the spot price of commodities. Depressed commodity prices were prevalent through the first half of 2016 and this, together with sub-optimal operational results, significantly impacted on reported results and placed a degree of strain on the Company's financial position resulting in a share price low of C\$2.15 in 2016. However, despite the copper price and operational performance improving since then, in 2018 the Company's share price performance was impacted amongst other things by an assessment by the Zambia Revenue Authority, Law 9 Constitutional Ruling in respect of the Cobre Panama project and changes to the Zambian tax regime announced in September 2018 which were later partially withdrawn in early 2019, all of which resulted in closing price at the end of 2019 of C\$13.17. The chart below shows the Copper and Nickel LME prices for the period commencing at the beginning of 2014.



During this period other sectors of the global economy performed reasonably well, largely explaining the outperformance of the S&P/TSX Composite Index to the TSX Global Mining Index.

Other factors believed to have affected our share price performance over this period include:

- Over the five year Total Shareholder Return reporting period, the Company continued to generally have a higher proportion of projects under development than comparable companies as part of its portfolio of assets. Due to the uncertainties and risks inherent in long term projects, the value that the market attaches to these projects at any time can negatively affect the Company's share price performance compared to its peers. This was particularly true for 2017 and 2018, as the Company completed the commissioning and continued the ramp-up of its Sentinel project, and during 2019, as the construction phase of the Cobre Panama project was completed and the project commenced commissioning, both of which required significant capital investment resulting in elevated debt levels. In addition, the perception of country risk associated with key operating mines has weighed negatively on sentiment.
- The increasing debt position of the Republic of Zambia, together with a perceived deterioration in the democratic due process, both of which are viewed negatively by the market.

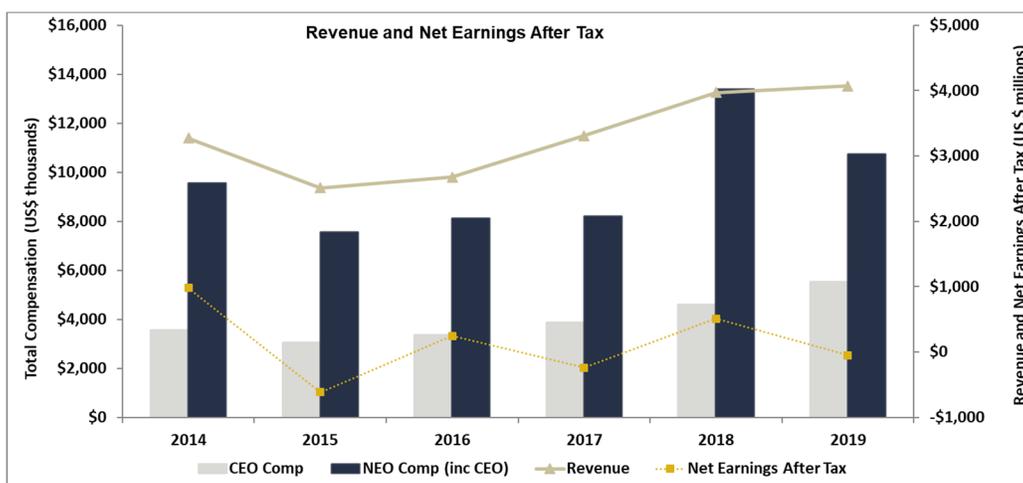
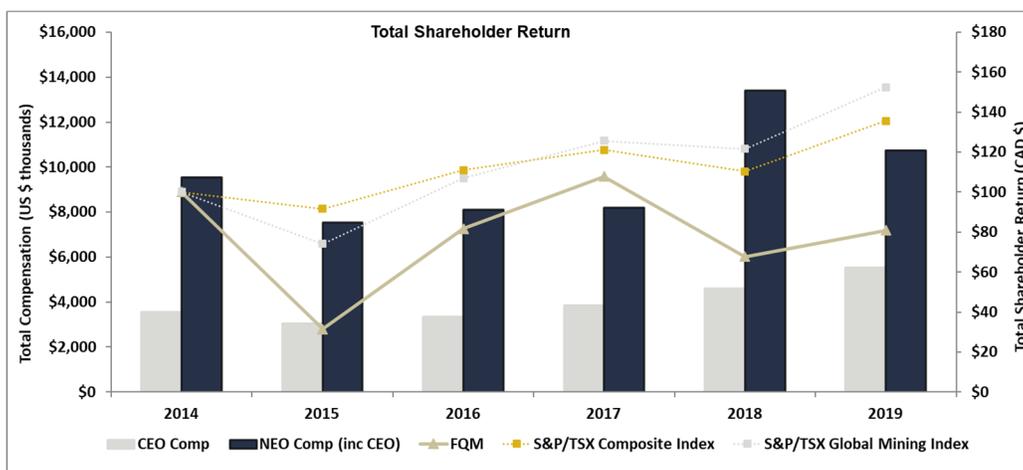
The Compensation Committee believes that the NEOs have responded proactively and appropriately to these recent operating and economic conditions, including by:

- Focusing project capital spending towards the completion of the Cobre Panama project which declared commercial production in September 2019;
- Maintaining good control over capital and operating expense levels particularly with respect to salary levels across the Company; and

- Effective management of debt. In February 2019, the Company signed a new \$2.7 billion term loan and revolving credit facility, replacing the previous \$1.5 billion revolving credit facility. In January 2020, the Company completed a tap issuance of an aggregate of \$750 million of Senior Notes and redeemed the all of the outstanding 7.00% Senior Notes due 2021.

Importantly, at the same time, the Company has sustained its commitment to community relations by undertaking significant corporate social responsibility initiatives and maintained good standards of corporate governance.

The graphs below show the Company's TSR and revenues/net earnings after tax compared to total compensation paid to the CEO and the other NEOs.



INCENTIVE PLAN AWARDS

OUTSTANDING SHARE AWARDS AND OPTION AWARDS

The following table shows outstanding unvested share awards and Options held by NEOs:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options(#)	Option exercise price C(\$)	Option expiration date	Value of unexercised in-the-money options(\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested(\$)	Market or payout value of vested share-based awards not paid out or distributed(\$)
Philip K. R. Pascall							
	496,689	13.72	04-Aug-2024	-	373,250 PSUs	\$3,704,965	Nil
	156,863	21.95	04-Aug-2023	-	Nil RSUs	-	
	253,165	12.16	01-Jul-2022	-			
	198,413	11.47	05-Aug-2021	-			
G Clive Newall							
	76,159	13.72	04-Aug-2024	-	61,354 PSUs	\$609,014	Nil
	27,451	21.95	04-Aug-2023	-	56,471 PSUs	-	
	43,949	12.16	01-Jul-2022	-	Nil RSUs	-	
	50,000	11.47	05-Aug-2021	-			
Hannes Meyer							
	99,338	13.72	04-Aug-2024	-	74,829 PSUs	\$742,770	Nil
	31,765	21.95	04-Aug-2023	-	Nil RSUs	-	
	50,602	12.16	01-Jul-2022	-			
	40,000	11.47	05-Aug-2021	-			
Wyatt Buck							
	45,635	13.72	04-Aug-2024	-	43,560 PSUs	\$432,387	Nil
	16,882	21.95	04-Aug-2023	-	Nil RSUs	-	
	21,827	12.16	01-Jul-2022	-			
	36,087	11.47	05-Aug-2021	-			
Zenon Wozniak							
	92,895	13.72	04-Aug-2024	-	69,690 PSUs	\$691,759	Nil
	30,388	21.95	04-Aug-2023	-	4,866 RSUs	\$48,301	-
	45,004	12.16	01-Jul-2022	-	450,000 KRSUs	\$4,466,803	-
	37,892	11.47	05-Aug-2021	-			

The Monte Carlo Simulation method is used to value PSU awards. The Monte Carlo Simulation is a technique used to approximate the probability of certain outcomes by running multiple scenarios, called simulations, based on normally distributed random variables ("NDRV"). The grant date fair value for an individual PSU LTI award is equal to the number of shares awarded multiplied by the market price on the grant date (July 1) then multiplied by the probability of vesting determined using the Monte Carlo Simulation. The grant date fair value is the same as the accounting fair value. The Company's aggregate LTI liability derived by the Monte Carlo Simulation is discounted annually to account for individual forfeitures during the vesting period for each LTI award as a result of employees leaving the Company. Based on the Monte Carlo Simulation, the probability of vesting of the 2019 PSU awards was 51.8% at the time of grant. RSUs are valued at the number of shares awarded multiplied by the grant date fair value on the grant date (July 1).

VALUE ON PAY-OUT OR VESTING OF INCENTIVE PLAN AWARDS

The following table shows the value of share-based awards and non-equity incentive plan compensation vested and paid during 2019:

Name	Vested Share Awards Value during the Year ⁽¹⁾⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation Payout During the Year ⁽³⁾
Philip K.R. Pascall	555,655	\$ 1,300,000
G. Clive Newall	114,839	\$ 230,000
Hannes Meyer	122,517	\$ 350,000
Wyatt Buck	175,375	\$ 168,207
Zenon Wozniak	159,167	\$ 288,455

(1) Release price of PSU C\$11.55. For Disclosure purposes Canadian dollar has been converted to USD as follows C\$1=0.7537 (year average)

(2) LTI Award recipients may defer vesting of the LTI Awards for up to 18 months depending on local income tax rules where the recipient resides.

(3) These are the same amounts as shown on the Summary Compensation Table under "Annual Incentive Plans".

- **Option Plan**

The Option Plan permits the issuance of Share Appreciation Rights (“SARs”), the purpose of which is to provide incentives to Directors, officers, senior management and certain consultants of the Company. The Option Plan also provides us with a mechanism to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s shareholders. Options may be granted in such numbers as to reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company.

Options granted under the Option Plan typically have a five year term and are fully vested after three years. The maximum term of an option permitted under the Option Plan is ten years. Options are generally not assignable and, except in certain specified circumstances, terminate upon the optionee ceasing to be employed by or associated with the Company. If shares are not issued under an Option for any reason, the shares in respect of such Option will be made available and will not reduce the maximum number of shares available for issuance under the plan. The aggregate number of shares that may be issued pursuant to grants under the Option Plan may not exceed 10% of the Company’s total issued and outstanding shares. The number of shares approved to be issued under the plan was 6,000,000. The Company completed a 5-1 share split in 2011. The remaining number of shares that may be issued under the Option Plan is 7,051,678 shares. As of December 31, 2019, 90,631 shares had been issued from treasury pursuant to the exercise of Options granted under the Option Plan. The terms of the Option Plan further provide that the price at which shares may be issued under the Option Plan cannot be less than the current market price of the shares on the date immediately preceding the date of grant. The Option Plan was amended to confirm that, in addition to time-based vesting conditions, Options may be subject to performance based vesting conditions. In the case of termination of a participant with or without cause all Options are terminated. If an employee is terminated within six months of the change of control, all Options under the Option Plan will vest.

The following table shows the “burn rate” (calculated by dividing the number of awards granted during the applicable year, by the weighted average number of basic securities outstanding for the applicable year) for each of the years 2019, 2018 and 2017:

	2019	2018	2017
Options	0.25%	0.09%	0.16%
Total	0.25%	0.09%	0.16%

The Option Plan cannot be amended in any respect without shareholder approval.

- **Long Term Incentive (Treasury) Plan**

We also operate a Long Term Incentive (Treasury) Plan (“LTITP”) which allows for the issue of shares to satisfy LTI awards. No awards have been issued under the LTITP to date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities in the Company which have been authorized for issuance under equity compensation plans as at the 2019 financial year end:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options C\$ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity (Option) compensation plans approved by the securityholders	4,333,428	13.72	7,051,678
Equity (LTITP) compensation plans approved by the securityholders	N/A	-	5,000,000
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	4,333,428	N/A	12,051,678

RETIREMENT BENEFIT PLANS

We do not provide retirement or pension benefits for Directors or NEOs nor do we operate a deferred compensation plan except for the CFO, who receives a contribution to a retirement savings plan, the amount of which is included in the Summary Compensation Table under “Other Compensation”.

TERMINATION AND CHANGE OF CONTROL BENEFITS

We have management services or employment agreements with each of our NEOs or their holding companies (as the case may be, and for the purposes of this section, each NEO or his or her holding company, is referred to as an “Executive Officer”) in respect of their positions with the Company. Each Executive Officer is engaged for an indefinite term and remains bound by confidentiality obligations.

The following is a summary of the termination and change of control treatment applicable to each of the NEOs, and the full terms of conditions are set out in their management services or employment agreements:

- We may terminate the NEO’s engagement at any time without cause by giving at least six months’ written notice, or upon payment of six months’ salary and benefits in lieu of such notice for the CEO and President, and in the case of the remaining NEOs, following three months’ written notice or payment of three months’ salary and benefits in lieu of such notice.
- If we terminate the NEO, or if there is a material change in their conditions of employment, at any time between the date of a change of control and 24 months thereafter, the Company is required to pay the CEO and President an amount equivalent to 30 months and in the case of the remaining NEO’s, an amount equal to 18 months, of their respective compensation package (which includes salary, bonus, and other compensation). In addition, any Options, PSUs or RSUs held by or granted to them will immediately vest.
- Under KEYS Plan, any participant who met his or her performance criteria as at the last assessment date prior to the change of control shall be entitled to a cash payment based on the number of KRSUs outstanding prior to the change of control and the amount of time elapsed between the grant date of the award and the eighth anniversary of such grant date as at the effective date of the change of control. If a participant who met his or her performance criteria as at the last assessment date prior to the change of control is terminated without cause within two years of a change of control, he or she shall be entitled to a cash payment based on the number of KRSUs outstanding prior to the change of control and the amount of time elapsed between the grant date of the award and the eighth anniversary of such grant date as at the termination date, less any amount paid to such participant under the KEYS Plan on a change of control.
- These employee safeguards have been in place for many years and are considered appropriate in the context of our overall remuneration policies and in light of the commitment we expect from senior executives.
- The CEO and the President may terminate their engagement by giving 120 days advance written notice to the Company and in the case of the remaining NEOs, three months advance written notice.
- We may terminate an NEO’s engagement for cause upon giving five days’ written notice. All compensation and benefits will cease accruing on the termination date. For these purposes, “Cause” includes: any breach of the agreement, or inadequate performance of the NEO’s duties that is not resolved within five days following written notice from the Company; unauthorized possession of the Company’s property, theft or dishonesty, being under the influence of alcohol or illegal drugs on the Company’s operational premises, assault or fighting where the NEO is an active participant, being charged with a civil or serious criminal offence, unethical practices, intentional disloyalty, a serious breach of the Company’s policies and procedures, or behaviour that brings us, the Company, into disrepute.
- In the unfortunate event of an NEO becoming disabled, we may terminate their services or make such other arrangements as we, in our sole discretion, deem necessary to accommodate the NEO. Outstanding KRSUs (subject to the satisfaction of the applicable performance criteria before the termination date), will vest in proportion to the amount of time elapsed between the grant date of the award and the eighth anniversary of such grant date as at the termination date.

The following table shows amounts payable to the NEOs as at December 31, 2019 in the event of a termination of employment without cause or for a change of control event that results in a termination of employment, or a material change in terms of employment.

Name	Months paid in the event of a change of control	Estimated Cash Payout on Termination (\$)		Estimated Value of Vested Share Awards on Termination ⁽²⁾ (\$)
		Without Cause	Change of Control and Termination or Material Change ⁽¹⁾	
Philip K.R. Pascall	30	600,000	5,500,000	3,704,965
G. Clive Newall	30	310,000	2,075,000	609,014
Hannes Meyer	18	153,750	1,287,000	742,770
Wyatt Buck	3	115,732	115,732	432,387
Zenon Wozniak	36	261,330	2,342,892	5,206,863

(1) Amounts are based on Total Compensation from the Summary Compensation Table.

(2) Amounts shown are based on the nominal value of unvested PSUs, Options and KRSUs (see page 50) held by the NEO, as applicable.

DISCLOSURE OF OTHER CORPORATE GOVERNANCE PRACTICES

We believe that sound corporate governance practices, and the regular review of our practices in that regard, are essential to the well-being of the Company and its shareholders. These governance practices are consistent with the requirements of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and the guidance suggested under National Policy 58-201 - *Corporate Governance Guidelines*. Our corporate governance framework governs how the Board operates through detailed Board and Board Committee charters which set out clearly how the board manages its governance obligations. There are clear descriptions setting out the responsibilities of the Chairman and CEO and the Lead Independent Director. On an annual basis, the Board reviews and, if required, updates its board manual which contains details of the governance framework and key policies to ensure that they remain relevant and appropriate.

BOARD COMPOSITION AND NOMINATION

The Directors are elected annually to hold office until the conclusion of the next annual general meeting of the shareholders or until their successors are duly elected or appointed. You are being asked to vote for each Director individually. In between annual meetings, the Board may appoint additional Directors subject to the articles of the Company and the *Business Corporations Act* (British Columbia) (the "BCBCA").

The Nominating and Governance Committee identifies potential candidates and recommends nominees to the Board for election or appointment. During the nomination process the Nominating and Governance Committee will take into account the existing combination of skills, experience and diversity of the Board when considering applicants, with the objective of further strengthening the make up and overall diversity on the Board.

INDEPENDENCE OF THE BOARD

We believe that in order to be effective, a majority of the Board should be independent of management. We currently have nine Directors, seven of whom are independent, being Peter St. George, Andrew Adams, Paul Brunner, Robert Harding, Kathleen Hogenson, Simon Scott and Joanne Warner. The Independent Directors have no direct or indirect relationship with the Company which could be reasonably expected to interfere with their exercise of independent judgment. Philip Pascall and Clive Newall do not qualify as Independent Directors due to their management positions with the Company. Since a majority vote is necessary to approve matters before the Board, the support of at least three Independent Directors is required to approve any matter.

We have put in place structures and processes that facilitate the functioning of the Board independently of the Company's management. The Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the EHS&CSR Committee consist entirely of Independent Directors. As noted above, the Independent Directors meet at each Board meeting without management present. In addition, and in recognition of the combined role of Chairman and CEO being held by Mr. Pascall, Mr. Harding, an Independent Director, also serves as Lead Independent Director.

To our knowledge, we do not have a significant shareholder with the ability to vote a majority of the issued and outstanding shares for the election of Directors.

CHAIRMAN AND LEAD INDEPENDENT DIRECTOR

Chairman and Chief Executive Officer

Our Chairman is Philip Pascall, who, as noted above, also serves as our CEO and is therefore not considered an Independent Director. Mr. Pascall is a founder of the Company and has acted as Chairman since 1996. We have carefully considered governance issues relating to Chairman independence and the different responsibilities of the Chairman and the CEO and believe that Mr. Pascall carries out these separate responsibilities diligently and that, with the compensating practices in place, the Board operates effectively. Accordingly, the Board as a whole does not believe splitting the roles of Chairman and CEO at this time is necessary or in the best interests of the Company.

Lead Independent Director

As the Chairman is not independent, we have determined that it is appropriate to appoint one of our Independent Directors as Lead Independent Director of the Board. The Lead Independent Director is appointed on an annual basis and is responsible for providing leadership and guidance to enhance the functioning of the Board together with its Committees. The Lead Independent Director, together with the Chairman, oversees the effectiveness of its individual members and the effectiveness of the operation of the Board overall. This is done via an annual Board effectiveness review which seeks feedback from the Directors on each other and the Board as a whole. The outcomes and recommendation from each review inform the steps taken to improve the effectiveness of the Board for the coming year. In carrying out his or her responsibilities, the Lead Independent Director consults with all Directors on a regular basis to ascertain whether they are satisfied with the operation of the Board and that all key issues are being properly addressed. Mr. Harding currently serves as Lead Independent Director.

BOARD MANDATE AND RESPONSIBILITIES

Our Board serves as the voice of all shareholders and supervises the management of the affairs and business of the Company. The composition of the Board is kept under continuous review and consideration is given to the existing make up of the Board and the mix of skills and competencies needed in light of the Company's current and future plans. Where gaps are identified the Nominating and Governance Committee builds these into the Board succession planning.

The Directors meet in person a minimum of five times per year and by teleconference, as necessary.

The Board's major supervisory responsibilities are as described below.

Strategy Determination and Delivery

One of the most important responsibilities of the Board is to review recommendations from management and approve the strategic direction of the Company. Thereafter, to monitor the performance of management of the Company in delivering on the strategy taking into account any changes to the operating environment that may impact the achievement of those objectives. In doing so, the Board reviews the Company's business, financial and operational plans and approves the annual budget. Where corrective action is required it will make recommendations to management and oversee their implementation.

Performance Monitoring and Risk Management

The Board considers performance of delivering on our strategy within the context of the risks and opportunities facing the Company at any given time. We are of the view that the ability to deliver on our objectives and operating guidance is also dependent on our ability to identify and appropriately manage the risks facing our Company.

Internal Controls

The Board is also responsible for overseeing the system of internal controls and the internal control environment. The Board has delegated its detailed overview in this area to the Audit Committee who, at every scheduled meeting, receive reports from the head of internal audit and PwC, our external auditor, who also monitor the effectiveness of controls over our financial reporting and disclosure. The Audit Committee reviews and approves the release of our quarterly financial reports and makes recommendations to the Board in respect of the annual consolidated financial statements. We have in place a system of delegations of authority which further strengthens our internal controls.

Succession Development and Planning

Effective succession planning is critical to the long term success of the Company.

The Board continually reviews succession development processes and planning for the CEO and senior executives. In addition, to the focused work summarized below, the Company has in place a Company wide development and

succession plan for all senior positions which is reviewed regularly by the CEO. During 2019, the Independent Directors also met without management present to discuss the output from the review and the Company's ongoing succession planning. In the unlikely event that it is required, there is an emergency succession plan in place should a situation arise which requires it.

The Company strives to create a strong ethical and achievement oriented culture in its management as it believes this has been a key ingredient in its success over a number of years. The performance of key managers and potential leaders is constantly monitored to ensure that they develop the right attributes and as wide a skill set as possible. During 2019, the Company conducted an in-depth review of its succession pipeline facilitated by Egon Zehnder. Building a robust talent pipeline remains a critical priority for the Company. The "CEO Program", our in house fast track development program, continued to be a success with many participants moving to new assignments (often within different jurisdictions across the Group) for the purpose of broadening their experience and knowledge of the business. In addition, the IGP, our global graduate program, will continue this year. At senior levels, Egon Zehnder continue to support our succession planning efforts. For those identified in the Company's succession plans, this year additional support will come from the Company's new corporate university, established in partnership with leading academic institutions.

Our Performance Culture

We are driven by a culture that requires integrity and an approach of doing things the 'right way' and for the right reasons. We require all of our employees, starting with the CEO and senior management team to work to high ethical and moral standards. We also require that the Company operates at all times within applicable laws and regulations.

In addition, we have embedded a framework of policies and procedures (such as the Code of Conduct and our Human Rights Policy) within which we operate. We monitor adherence with these policies and procedures through not only the relationships we maintain with our employees and the communities within which we operate but also through our whistleblowing hotline.

Communicating with Shareholders and Governance Bodies

We have adopted a shareholder communication and engagement policy which governs how we communicate with you, our shareholders. The policy includes guidance on how our financial results are disclosed, including in accordance with generally accepted accounting standards and compliance with applicable laws and regulations. We also monitor the timely reporting of developments that have a material impact on the Company to ensure that disclosure is made in compliance with applicable disclosure laws and regulation. We report to shareholders on the performance of our business regularly throughout the year. The most regular of these is when we report our quarterly results but we also communicate via other means such as in the Annual Information Form, and our annual general meeting of shareholders and other investor meetings scheduled throughout the year.

In addition the Independent Directors will, from time to time, meet with major shareholders and other governance bodies to discuss and exchange thoughts and views on various topics as appropriate.

POSITION DESCRIPTIONS

In order to ensure clarity of roles, the Board has developed written position descriptions for each of the Chairman and CEO, and Lead Independent Director.

OPERATION OF THE BOARD

Board Evaluation and Assessments of Individual Directors

Each year the Nominating and Governance Committee oversees an evaluation of the effectiveness and performance of the Board, each individual Director and its Committees. This is facilitated by the Corporate Secretary of the Company and an independent consultant, Searl Street Consulting. This assessment includes the completion by each Director of a comprehensive questionnaire, and an interview with the independent consultant. The output from these discussions are reviewed and evaluated by the Chairman, and a subsequent "one-on-one" session between the Chairman and each Director is held to discuss the output and the Director's role and contribution to the Board deliberations and the Company. In January 2020, the Board received a presentation from Searl Street Consulting to discuss as a group the output from the 2019 review process and to agree recommendations for improvement identified in the final report. Searl Street Consulting also attended the one-on-one sessions between the Chairman and each Director.

The Nominating and Governance Committee takes into account the results of these reviews when assessing the balance of skills, experience, independence and knowledge on the Board, how the Board works together as a unit, and

other factors relevant to its effectiveness in making recommendations regarding candidates for nomination to the Board nominees.

Board Composition and Director Selection

Utilizing the results of the evaluation and recommendations from the Nomination and Governance Committee, the Directors review the Board composition to ensure it has the mix of skills and experience needed for the achievement of the Company's current and future strategic plans.

We use external consultants to assist in the identification and recruitment of highly qualified individuals who bring a balance of business experience, education, expertise, personal qualities, and general business and sector specific knowledge to the board table. In identifying suitable candidates for appointment or election to the Board and executive officer appointments, candidates are considered on merit against objective criteria as described above and with due regard for the benefits of diversity on the Board, including specifically the appointment of women as Directors, as described below under Diversity Policy.

Board Orientation

Once appointed, new Directors undergo a comprehensive orientation program, which includes briefings on all aspects of the Company's activities and operations, including meeting with key management and advisors as appropriate. As part of this orientation, new Directors are expected to visit key sites within their first year of appointment. A board manual is maintained, which contains all of the Company's key policies, Board and Committee mandates, recent minutes and other relevant documents. New Directors are also given access to briefings by Company advisors, including the auditors, as requested.

Director Education

Directors are expected to remain fully informed on all aspects of the Company's business and on their duties as Directors. Specific areas of interest are often highlighted as part of the Board effectiveness review and Directors are encouraged to highlight areas where they feel they would benefit from more in depth knowledge.

To facilitate this, the Company arranges:

- Site visits

The Company organizes site visits for the independent Directors to ensure they have direct access to view the Company's operations. This also affords the Independent Directors the opportunity to meet directly with management and staff at the Company's operations. The Board also holds Board meetings during these site visits. In the last two years, the Board has twice visited the Cobre Panama project in Panama, the Kansanshi mine and smelter, the Sentinel project in Zambia and the Pyhäsalmi mine in Finland.

- Management attendance at Board meetings

Key management are invited to attend each Board meeting and provide detailed presentations on significant developments and topics on the meeting agenda. Advisors are also invited to attend as appropriate.

- Education Sessions

Formal education sessions are provided to all Directors during the year on topics of relevance. Directors are also encouraged to identify areas where they feel they would benefit from a deeper understanding of a particular subject matter. Publications that may be of interest to the Directors are routinely circulated to Directors or are provided in the "Reading Room" on the board portal for Directors to review. Directors are also encouraged to participate in continuing education relevant to their roles as Directors and Committee members. Directors are reimbursed for reasonable out-of-pocket expenses, including any continuing education courses, in connection with their duties as Directors.

Director Term Limits and Board Renewal Policy

All Directors stand for re-election every year and we aim to balance a policy of rotation of Directors with the need to retain experience and knowledge of the Company's affairs. In the light of these practices, we do not believe it is appropriate to impose term limits or a retirement age on our Directors. We are also of the view that such limits may result in the removal of Directors making a valuable contribution solely because of their length of service or age. We do however pay special consideration to the position of Directors aged 70 and over and long standing Directors. The Board must satisfy itself that those Directors under review remain effective and independent and are active contributors to the Board. This is done through the annual board evaluation process described more fully on page 56.

In the past five years, four Directors have retired from the Board and four new Directors, including two women, have joined the Board.

Diversity Policy

We believe that decision-making is enhanced through diversity in the broadest sense and has implemented a *Diversity Policy* to reflect this principle. In the context of an effective Board, diversity includes expression of thought, business experience, skill sets and capabilities. Diversity also includes valuing an individual's race, colour, gender, age, religious belief, ethnicity, cultural background, economic circumstance, and human capacity, as well as other factors. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives in Board deliberations and fosters strong corporate governance, thereby enhancing the ability to create shareholder value.

We have determined that merit, skills and business background are key requirements for the appointment as a Director and for employee advancement. As a result, the Diversity Policy deliberately does not mandate quotas based on any specific area of diversity and specifically does not set targets for women on the Board or in executive officer positions.

As of the date of this Circular, two out of nine Directors are women, representing 22% of the Board. Following the retirement of Paul Brunner at the upcoming Meeting, women Directors will represent 25% of the Board. Moreover, there are two women serving as executive officers, comprising 28% of the Company's executive officers. It remains a key objective of ours to achieve gender diversity on the Board and in other senior management positions.

We operate in a heavy industry environment against very diverse cultural backdrops where women have historically had low representation. The ability to attract women into this environment can prove challenging; however, we are pleased to report that over 10% of our workforce is comprised of women. We recognize the benefits that came with developing women to work in heavy industry and actively run training and development programs designed to improve the representation and advancement of women; for example, in Panama, more than 15% of our supervisor/specialist roles are filled by women.

Risk oversight

The Board and Committees allocate sufficient time to identify, manage, report and mitigate risk as follows:

1. The Board selects key risks to review at Board meetings;
2. The EHS&CSR Committee identifies and reviews material environmental, safety and CSR risks at each committee meeting, and selects topics to report to the Board for discussion;
3. The Audit Committee reviews the Company's Risk Register on a bi-annual basis;
4. The Company has a dedicated internal audit team that has a dual reporting role to the CEO and Audit Committee chairman, and which provides assurances over internal controls and financial reporting; and
5. The Compensation Committee reviews risks specific to the Company's compensation practices on an annual basis.

The Board considers any risks identified that have the potential to significantly affect our ability to achieve the Company's strategic goals including environmental and safety risk, financial risk and political and regional risk.

As part of its review against strategy Directors also consider risks associated with the strategic approach and take appropriate mitigating actions to manage these risks. We take our responsibilities towards managing risk seriously and proactively address strategic, financial, operational, social and environmental risks and assess all risks against our performance, including financial.

Strategic planning

The Board oversees the development, execution and fulfillment of our strategic goals and objectives. This responsibility is supported by the following actions:

- The Board conducts a review of the annual budget and five year plan;
- Management identifies key strategic issues to present to the Board;
- Presentations are provided to the Board by third parties and internal experts on key strategic considerations relevant to the Company's business; and
- The Board and Committees consider and discuss the key issues, assumptions, risks, opportunities and strategies that relate to the development and implementation of the Company's strategic goals.

Strategy is discussed at every Board meeting and at least one meeting per year is specifically set aside for a substantial strategic planning session in which the Directors review and discuss the strategy developed by management.

EXPECTATIONS OF MANAGEMENT

Management are expected to conduct the business of the Company in accordance with the Board approved strategic plan and to meet or surpass the annual and long-term goals of the Company set by the Board in consultation with management. As part of its annual strategic planning process, expectations of management are clearly set out over both the immediate and longer term in the context of the Company's long-term goals. Management's progress in meeting these expectations is monitored throughout the calendar year and in connection with determining compensation.

SHAREHOLDER FEEDBACK AND CONCERNS

The Company manages a shareholder relations program under the direction of its President, Mr Newall. The program involves meeting with a broad spectrum of investors, including briefing sessions for analysts, investment fund managers, members of the press and the public to discuss reported financial results and other announcements by the Company. Shareholders, other stakeholders and the public are informed of developments in the Company by the issuance of news releases and publications by the Company.

Management of the Company is available routinely to shareholders to respond to questions and concerns. Shareholder concerns are dealt with on an individual basis. The response will depend on the kind of question or concern raised. Significant concerns are brought to the attention of the management of the Company or the Board.

Under its written mandate, the Board is required to oversee the Company's Corporate Disclosure Policy. The Board monitors the policy and the procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally.

The Independent Directors are also made available to meet with shareholders and shareholder groups. Shareholders may also provide feedback to the Board by writing to the Chairman through the Corporate Secretary of the Company at the address set out below. Shareholders may also communicate directly with the independent Directors by writing to the Lead Independent Director or a Committee chairman or through the Corporate Secretary of the Company at the registered office address set out below.

Attention: Sarah Robertson, Corporate Secretary, First Quantum Minerals Ltd.
14th Floor, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, Canada
Email: Sarah.Robertson@fqml.com

ETHICAL BUSINESS CONDUCT

Code of Conduct

We have adopted a code of conduct (the "Code of Conduct") that applies to Directors, officers and other employees of the Company. The Code of Conduct sets out how everyone that works for the Company is expected to conduct himself or herself whilst representing the Company. It is reviewed annually and updated as appropriate with the last update being made in 2017. Compliance with the *Code of Conduct* is expected at every level of the Company. Employees who are aware of *Code of Conduct* breaches must, under the *Code of Conduct*, report them to their manager or, if they do not feel comfortable doing so, through the Company whistleblowing line. Employees who breach the *Code of Conduct* may be subject to disciplinary action up to and including termination of their employment. Matters of a serious nature are brought to the attention of the Board. The Company takes active steps annually to ensure all employees are familiar with the requirements of the *Code of Conduct*.

The Code of Conduct contains conflict of interest provisions which require Directors, officers and other employees of the Company to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties of employment. An employee in a situation of conflict of interest is given sufficient time to address the conflict.

The Code of Conduct is available on the Company's website at www.first-quantum.com.

Social Commitment and Responsibility

We have also adopted a *Social Policy* with the objective of maximizing socio-economic opportunities and benefits for the communities we operate in while minimizing potential negative social impacts. The Company also subscribes to

the Equator Principles. The Company maintains policies relating to the well-being of its employees, including policies such as an HIV/AIDS Policy, Environmental Policy, Whistleblower Policy and a Human Rights Policy. We firmly believe that the existence of the Code of Conduct together with these policies is a key driver in promoting a culture of ethical business conduct, both within the Company and by the Company.

The Company produces an Environmental, Safety and Social Data Report, which is available on the Company's website at www.first-quantum.com.

Insider Trading Policy

Our Insider Trading Policy applies to our Directors, officers, employees and consultants. The Insider Trading Policy prohibits both the unauthorized disclosure of any non-public information and any trading of shares by insiders whilst they are in possession of material information that has not been disclosed to the public. It also provides for the application of "no-trade" periods following completion of a financial quarter until the third trading day following the filing of a news release announcing the results for that quarter. Potential insiders are reminded of the Company's no-trade periods on a quarterly basis. Before initiating any trades in the Company's securities, all insiders listed on the Company's Insider List (updated regularly) are required to contact the Corporate Secretary of the Company for approval prior to trading. The Insider Trading Policy was reviewed and updated by the Board in 2015.

Hedging of Financial Instruments Policy

NEOs and Directors are not permitted to hedge any securities of the Company, including but not limited to prepaid variable forward contracts, equity swaps, collars, or units of exchange funds.

Conflicts of Interest

All Directors are required to comply with the provisions governing conflicts of interests in the BCBCA. The Company's policy relating to Directors specifically requires that where a Director has any direct or indirect interest in a proposed contract or transaction with the Company, or holds any office or possesses any property, directly or indirectly, which may create a conflict with his or her duty or interest as a Director, the Director must disclose the nature and extent of that interest and any conflict associated therewith at the earliest opportunity at a meeting of the Board. A register of declared related party transactions, register of related employees, and related party investments is maintained by the Corporate Secretary of the Company and reviewed by the Board annually. Related party transactions are also audited twice a year by the Company's external auditor.

Interlocking Board Positions and Outside Board Memberships

A board interlock occurs when two or more of the Company's Directors also serve together as board members of another public company. As of March 11, 2020, there are no board interlocks on the Company's Board.

The Board does not determine the specific number of other boards on which a Director may serve. However, the Chairman's approval is required for new appointments. No two Directors shall sit together on two or more external company boards without prior approval of the Board. In addition, in a situation where the Chairman holds a dual Chairman/CEO role, as currently is the case, the individual is not permitted to hold any outside board memberships. The Company's governance practices encourage Directors to recognize that Board and Committee service requires significant time and attention in order to properly discharge their responsibilities and that service on boards should be consistent with the Company's conflict of interest standards as set out in its Code of Conduct.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains global Directors' and Officers' liability insurance with a \$150,000,000 combined aggregate and per occurrence limit at a 12 month premium of \$459,409.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, no Director or executive officer of the Company at any time since the beginning of the Company's most recently completed financial year, and no associate or affiliate of any of such Directors and executive officers has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for any interest arising from the ownership of shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Director or officer of the Company has any indebtedness (as defined under applicable securities legislation) to the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements for the year ended December 31, 2019, together with the management's discussion and analysis thereon, copies of which are available under the Company's SEDAR profile at www.sedar.com and may be obtained by any shareholder free of charge by request to the Company's registered office at:

14th Floor
543 Granville Street
Vancouver, British Columbia
Canada V6C 1X8

The contents and sending of this Circular have been approved by the Board.

11th day of March, 2020.

ON BEHALF OF THE BOARD OF DIRECTORS

Sarah E. H. Robertson
Corporate Secretary

Schedule A – SHAREHOLDER RIGHTS PLAN

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF JANUARY 6, 2020

BETWEEN

FIRST QUANTUM MINERALS LTD.

AND

COMPUTERSHARE INVESTOR SERVICES INC.

AS RIGHTS AGENT

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	66
1.1 Certain Definitions	66
1.2 Currency	76
1.3 Headings	76
1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares	76
1.5 Acting Jointly or in Concert	77
ARTICLE 2 RIGHTS	77
2.1 Legend on Common Share Certificates	77
2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights	77
2.3 Adjustments to Exercise Price; Number of Rights	80
2.4 Date on Which Exercise Is Effective	83
2.5 Execution, Authentication, Delivery and Dating of Rights Certificates	84
2.6 Registration, Transfer and Exchange	84
2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates	85
2.8 Persons Deemed Owners of Rights	85
2.9 Delivery and Cancellation of Certificates	85
2.10 Agreement of Rights Holders	85
2.11 Rights Certificate Holder Not Deemed a Shareholder	86
ARTICLE 3 ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS	86
3.1 Flip-in Event	86
ARTICLE 4 THE RIGHTS AGENT	88
4.1 General	88
4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent	88
4.3 Duties of Rights Agent	89
4.4 Change of Rights Agent	90
4.5 Compliance with Money Laundering Legislation	91
4.6 Privacy Legislation	91
ARTICLE 5 MISCELLANEOUS	91
5.1 Redemption and Waiver	91
5.2 Expiration	93
5.3 Issuance of New Rights Certificates	93
5.4 Supplements and Amendments	93
5.5 Fractional Rights and Fractional Shares	94
5.6 Rights of Action	94
5.7 Regulatory Approvals	94
5.8 Declaration as to Foreign Holders	95
5.9 Notices	95
5.10 Costs of Enforcement	96
5.11 Successors	96
5.12 Benefits of this Agreement	96
5.13 Governing Law	96
5.14 Severability	96
5.15 Effective Date	96
5.16 Reconfirmation	96
5.17 Determinations and Actions by the Board of Directors	96
5.18 Time of the Essence	97
5.19 Execution in Counterparts	97
ATTACHMENT 1	99

SHAREHOLDER RIGHTS PLAN AGREEMENT

SHAREHOLDER RIGHTS PLAN AGREEMENT dated January 6, 2020 between First Quantum Minerals Ltd. (the “**Corporation**”), a corporation existing under the laws of the Province of British Columbia, and Computershare Investor Services Inc., a corporation existing under the laws of Canada (the “**Rights Agent**”);

WHEREAS the Board of Directors (as hereinafter defined) of the Corporation has determined that it is advisable and in the best interest of the Corporation to adopt a shareholder rights plan to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any takeover bid for the Corporation;

AND WHEREAS in order to implement the adoption of a shareholder rights plan as established by this Agreement (as hereinafter defined), the Board of Directors;

- (a) authorized the issuance, effective at the Record Time (as hereinafter defined), of one Right (as hereinafter defined) in respect of each Voting Share (as hereinafter defined) outstanding at the Record Time; and
- (b) authorized the issuance of one Right in respect of each Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement;

AND WHEREAS the Corporation desires to confirm its appointment of the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to in this Agreement;

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

(a) **“Acquiring Person”** means any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term **“Acquiring Person”** shall not include:

- (i) the Corporation or any Subsidiary of the Corporation;
- (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of:
 - (A) an acquisition or redemption by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the proportionate number of Voting Shares Beneficially Owned by such Person to 20% or more of the Voting Shares then outstanding;
 - (B) a Permitted Bid Acquisition;
 - (C) a Pro Rata Acquisition;
 - (D) an Exempt Acquisition; or
 - (E) a Convertible Security Acquisition;

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C), (D) or (E) above and such Person thereafter becomes the Beneficial Owner of more than an additional 1% of the number of outstanding Voting Shares (other than pursuant to one or more of any combination of Paragraphs (A), (B), (C), (D) or (E) above, as the case may be, then as of the date such Person becomes the Beneficial Owner of such additional Voting Shares, as the case may be, such Person shall become an **“Acquiring Person”**; or

- (iii) for a period of 10 calendar days after the Disqualification Date (as defined below), any Person who becomes the Beneficial owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Section 1.1(f)(iv)(B) solely because such Person is making or has announced a current intention to make a Take-over Bid, either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person;

For the purposes of this definition, “Disqualification Date” means the first date of a public announcement of facts indicating that any Person is making or has announced a current intention to make a Take-over Bid, either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person (which, for the purposes of this definition, shall include, without limitation, a report asserting such facts filed pursuant to NI 62-103);

- (iv) an underwriter or member of a banking or selling group acting in such capacity that acquires 20% or more of the outstanding Voting Shares from the Corporation in connection with a distribution of securities of the Corporation; or
- (v) a Person (a **“Grandfathered Person”**) who is the Beneficial owner of 20% or more of the outstanding Voting Shares determined as at the Record Time, provided however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time: (1) cease to Beneficially Own more than 20% or more of the outstanding Voting Shares, or (2) become the Beneficial

owner of any additional Voting Shares that increases its Beneficial ownership of Voting Shares by more than 1% of the number of Voting Shares outstanding as at the Record Time, other than through an acquisition pursuant to which a Person becomes a Beneficial Owner of additional Voting Shares by reason of one or any combination of the operation of Sections 1.1(a)(ii)(A), 1.1(a)(ii)(B), 1.1(a)(ii)(C), 1.1(a)(ii)(D) or 1.1(a)(ii)(E);

- (b) **"Affiliate"**, when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such a specified Person;
- (c) **"Agreement"** means this shareholder rights plan agreement dated January 6, 2019, as amended, modified or supplemented from time to time; **"hereof"**, **"herein"**, **"hereto"** and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (d) **"Associate"** when used to indicate a relationship with a specified Person, means any relative of such specified Person who has the same residence as such specified Person, or any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such spouse or other Person who has the same home as such specified Person;
- (e) **"BCBCA"** means the *Business Corporations Act* (British Columbia), SBC 2002, c 57 and the regulations made thereunder and any comparable or successor laws or regulations thereto;
- (f) A Person shall be deemed the **"Beneficial Owner"** of, and to have **"Beneficial Ownership"** of, and to **"Beneficially Own"**,
 - (i) any securities of which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity, directly or indirectly;
 - (ii) any securities of which such Person or any of such Person's Affiliates or Associates has, directly or indirectly, the right to become the owner at law or in equity (provided that such right is exercisable within a period of 60 days, whether or not on condition or the happening of any contingency or the making of any payment) pursuant to any agreement, derivative contract, arrangement, pledge or understanding, whether or not in writing (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities and other than pledges of securities in the ordinary course of business), or upon the exercise of any derivative contract, conversion right, exchange right, share purchase right (other than the Rights), warrant or option;
 - (iii) any securities which are subject to a lock-up or similar agreement to tender or deposit them into any Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other Person acting jointly or in concert with such Person; and
 - (iv) any securities which are Beneficially Owned within the meaning of Sections 1.1(f)(i), (ii) or (iii) by any other Person with whom such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the **"Beneficial Owner"** of, or to have **"Beneficial Ownership"** of, or to **"Beneficially Own"**, any security as a result of the existence of any one or more of the following circumstances:

- (A) such security has been agreed to be deposited or tendered pursuant to a Permitted Lock-up Agreement or is otherwise deposited or tendered pursuant to any Take-over Bid made by such Person, made by any of such Person's Affiliates or Associates or made by any other Person referred to in Section 1.1(f)(iv), unless such deposited or tendered security has been taken up or paid for, whichever shall occur first;
- (B) such Person, any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(f)(iv) holds such security provided that,

- (I) the ordinary business of any such Person (the “**Investment Manager**”) includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the *bona fide* performance of such Investment Manager’s duties for the account of any other Person (a “**Client**”), including non-discretionary accounts held on behalf of a Client by a dealer or broker registered under applicable law;
- (II) such Person is (i) the manager or trustee (the “**Manager**”) of a mutual fund (a “**Mutual Fund**”) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada of the laws of the United States or the United Kingdom and such security is held in the ordinary course of business in the *bona fide* performance of the Manager’s duties with respect to the Mutual Fund, or (ii) a Mutual Fund;
- (III) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an “**Estate Account**”) or in relation to other accounts (each an “**Other Account**”) and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
- (IV) such Person is an independent Person established by statute for purposes that include, and the ordinary business or activity of such Person (the “**Statutory Body**”) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies and the Statutory Body holds such securities for the purposes of its activities as such;
- (V) such Person (the “**Administrator**”) is the administrator or trustee of one or more pension funds, plans or related trusts (a “**Plan**”) or is a Plan registered or qualified under the laws of Canada or any Province thereof or the laws of the United States of America or any state thereof or the laws of the United Kingdom which such Plan is governed or is a Plan, and holds such securities for the purposes of its activities as Administrator or as a Plan; or
- (VI) such Person is a Crown agent or agency;

provided, in any of the above cases, that the Investment Manager, the Manager, the Mutual Fund, the Trust Company, the Statutory Body, the Administrator, the Plan, or the Crown agent or agency, as the case may be, is not then making a Take-over Bid or has not then announced an intention to make a Take-over Bid other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or by acting jointly or in concert with any other Person;

- (C) such Person or any other person acting jointly or in concert with such Person (1) is a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (2) has an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security, or (3) is a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;
- (D) such Person or any other person acting jointly or in concert with such Person (1) is a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (2) has an Estate Account or an Other Account of

a Trust Company and such security is owned at law or in equity by the Trust Company, or (3) is a Plan and such security is owned at law or in equity by the Administrator of the Plan; or

- (E) such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository;
- (g) **“Board of Directors”** means the board of directors of the Corporation or any duly constituted and empowered committee thereof (or in the case of a Person that is not a corporation, means the administrators, managers, trustees or other individuals performing similar functions in respect of any such Person);
- (h) **“Book Entry Form”** means, in reference to securities, securities that have been issued and registered in uncertificated form that are evidenced by an advice or other statement and which are maintained electronically on the records of the Corporation’s transfer agent, but for which no certificate has been issued;
- (i) **“Book Entry Rights Exercise Procedures”** has the meaning ascribed thereto in Section 2.2(c);
- (j) **“Business Day”** means any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario or Vancouver, British Columbia are authorized or obligated by law to close;
- (k) **“Canadian Dollar Equivalent”** of any amount which is expressed in United States dollars shall mean on any date the Canadian dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate in effect on such date;
- (l) **“close of business”** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal office in Vancouver, British Columbia of the transfer agent for the Common Shares of the Corporation (or, after the Separation Time, the principal office in Vancouver, British Columbia of the Rights Agent) is closed to the public, *provided, however*, that for the purposes of the definition of **“Competing Bid”** and the definition of **“Permitted Bid”**, **“close of business”** on any date means 11:59 p.m. (local time, at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time, at the place of deposit) on the next succeeding Business Day);
- (m) **“Common Shares”** means the common shares in the capital of the Corporation;
- (n) **“Competing Permitted Bid”** means a Take-over Bid that:
- (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry termination or withdrawal of that Permitted Bid or Competing Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in Section 1.1(II)(ii)(A) of the definition of a Permitted Bid; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid;

provided, however, that a Take-over Bid that qualified as a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such Take-over Bid ceases to meet any of the requirements of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Competing Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition;

- (o) **“controlled”** a Person is **“controlled”** by another Person or two or more Persons acting jointly or in concert if:
- (i) securities entitled to vote in the election of directors (including, for Persons other than corporations, the administrators, managers, trustees or other individuals performing similar functions in respect of any such Person) carrying more than 50% of the votes for the election of directors are held, directly or indirectly, other than by way of security only, by or on behalf of the other Person or two or more Persons acting jointly or in concert; and
 - (ii) the votes carried by such securities are entitled, if exercised, to elect, appoint or designate a majority of the Board of Directors of such company or corporation (including, for Persons other than corporations, the administrators, managers, trustees or other individuals performing similar functions in respect of any such Person);
- and **“controls”**, **“controlling”** and **“under common control with”** shall be interpreted accordingly;
- (p) **“Convertible Securities”** means, at any time, any securities issued by the Corporation (including rights, warrants and options) carrying any purchase, exercise, conversion or exchange right, pursuant to which the holder thereof may acquire Shares or other securities convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is exercisable immediately or after a specified period and whether or not on condition or the happening of any contingency);
- (q) **“Convertible Security Acquisition”** means the acquisition of Voting Shares upon the exercise of Convertible Securities acquired by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;
- (r) **“Co-Rights Agents”** has the meaning ascribed thereto in Section 4.1(a);
- (s) **“Disposition Date”** has the meaning ascribed thereto in Section 5.1(a);
- (t) **“Dividend Reinvestment Acquisition”** means an acquisition of Voting Shares of any class pursuant to a Dividend Reinvestment Plan;
- (u) **“Dividend Reinvestment Plan”** means a regular dividend reinvestment or other program or plan of the Corporation made available by the Corporation to holders of its securities and/or to holders of securities of a Subsidiary of the Corporation, where such program or plan permits the holder to direct that some or all of:
- (i) any dividends paid in respect of shares of any class of the Corporation or a Subsidiary;
 - (ii) any proceeds of redemption of shares of the Corporation or a Subsidiary;
 - (iii) any interest paid on evidences of indebtedness of the Corporation or a Subsidiary; or
 - (iv) any optional cash payments;
- be applied to the purchase of Voting Shares;
- (v) **“Effective Date”** means January 6, 2020;
- (w) **“Election to Exercise”** has the meaning ascribed thereto in Section 2.2(d);
- (x) **“Exempt Acquisition”** means an acquisition of Beneficial Ownership of Voting Shares or Convertible Securities by a Person:
- (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Sections 5.1(a), 5.1(b) or 5.1(f); or

- (ii) pursuant to an amalgamation, plan of arrangement or other statutory procedure having similar effect which has been approved by the Board of Directors and the holders of Shares by the requisite majority or majorities of the holders of Shares at a meeting duly called and held for such purpose in accordance with the provisions of the BCBCA, the constating documents of the Corporation and any other applicable legal requirements; or
- (iii) pursuant to a distribution to the public by the Corporation of Voting Shares or Convertible Securities made pursuant to a prospectus or private placement provided that the Person in question does not thereby acquire a greater percentage of Voting Shares representing the right to acquire Voting Shares than the percentage of Voting Shares such Person Beneficially Owned immediately prior to such acquisition;
- (y) **“Exercise Price”** means, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be \$90;
- (z) **“Expansion Factor”** has the meaning ascribed thereto in Section 2.3(a);
- (aa) **“Expiration Time”** means the close of business the date of termination of this **Agreement** pursuant to Section 5.16;
- (bb) **“Flip-in Event”** means a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (cc) **“holder”** has the meaning ascribed thereto in Section 2.8;
- (dd) **“Independent Shareholders”** means holders of any Voting Shares, other than
 - (i) any Acquiring Person;
 - (ii) any Offeror (other than any Person who pursuant to Section 1.1(f) is not deemed to Beneficially Own the Voting Shares held by such Person);
 - (iii) any Affiliate or Associate of any Acquiring Person or Offeror;
 - (iv) any Person acting jointly or in concert with any Acquiring Person or Offeror; and
 - (v) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or withheld from voting or direct whether the Voting Shares are to be tendered to a Take-over Bid;
- (ee) **“Market Price”** per share of any securities on any date of determination means the average of the daily closing sale prices per security of such class of securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing sale prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing sale price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing sale price per security of any securities on any date shall be:
 - (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each of such securities as reported by the principal stock exchange or national securities quotation system on which such securities are listed or admitted to trading (provided that, if at the date of determination such securities are listed or admitted

to trading on more than one stock exchange or national securities quotation system, then such price or prices shall be determined based upon the stock exchange or quotation system on which such securities are then listed or admitted to trading on which the largest number of such securities were traded during the most recently completed calendar year);

- (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a stock exchange or a national securities quotation system, then the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for each such securities in the over-the-counter market, as quoted by any reporting system then in use; or
- (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a stock exchange or a national securities quotation system or quoted by any reporting system, then the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

provided, however, that: (A) if for any reason none of such prices are available on such date, then the "closing price per security" of such securities on such date shall mean the fair value per security of the securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker selected by the Board of Directors with respect to the fair value per security of such securities; and (B) if the closing price per security so determined is expressed in United States dollars, then such amount shall be converted to the Canadian Dollar Equivalent;

- (ff) "**NI 62-103**" means *National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* adopted by the Canadian securities regulatory authorities;
- (gg) "**NI 62-104**" means *National Instrument 62-104 - Take-Over Bids and Issuer Bids* and any comparable or successor laws, instruments or rules thereto;
- (hh) "**Nominee**" has the meaning ascribed thereto in Section 2.2(c);
- (ii) "**Offer to Acquire**" includes:
 - (i) an offer to purchase or a solicitation of an offer to sell Voting Shares and/or Convertible Securities of any class or classes, and
 - (ii) an acceptance of an offer to sell Voting Shares and/or Convertible Securities of any class or classes, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;
- (jj) "**Offeror**" means a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;
- (kk) "**Offeror's Securities**" means Voting Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire;
- (ll) "**Permitted Bid**" means a Take-over Bid made by an Offeror that is made by means of a Take-over Bid circular and which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of record of Voting Shares, other than the Offeror;
 - (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid;

- (A) prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of NI 62-104 for which a Take-over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposit of securities thereunder; and
- (B) unless at the close of business on the date Voting Shares are first taken up or paid for under such Take-over Bid, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (iii) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period described in Section 1.1(II)(ii)(A) and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (iv) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, in the event that the deposit condition set forth in Section 1.1(II)(ii)(B) is satisfied the Offeror will make a public announcement of that fact and the Take-over Bid will be extended for a period of not less than 10 Business Days from the date of such public announcement;
- (mm) **"Permitted Bid Acquisition"** means an acquisition of Voting Shares of any class made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (nn) **"Permitted Lock-up Agreement"** means an agreement between a Person;
 - (i) and one or more holders of Voting Shares and/or Convertible Securities (each a **"Locked-up Person"**) the terms of which are publicly disclosed and a copy of which agreement is made available to the public (including the Corporation) not later than (A) the date the Lock-up Bid (as defined below) is publicly announced, or (B) if the Lock-up Bid has been made prior to the date on which such agreement is entered into then as soon as possible after it is entered into and in any event not later than the date following the date of such agreement, pursuant to which each Locked-up Person agrees to deposit or tender, or vote Voting Shares and/ or Convertible Securities to a Take-over Bid (the **"Lock-up Bid"**) to be made or made by the Person or any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(f)(iv) and which provides:
 - (ii) that any agreement to deposit or tender to, or to not withdraw Voting Shares and/ or Convertible Securities from, the Lock-up Bid is terminable at the option of the Locked-up Person in order to tender or deposit such Voting Shares and/or Convertible Securities to another Take-over Bid or support another transaction:
 - (A) where the price or value per Voting Share and/or Convertible Security offered under such other Take-over Bid or transaction is higher than the price or value per Voting Share and/or Convertible Security, offered under the Permitted Lock-up Agreement; or
 - (B) if:
 - (I) the price or value per Voting Share and/or Convertible Security offered under the other Take-over Bid or transaction exceeds the price or value per Voting Share and/or Convertible Security offered or proposed to be offered under the Lock-up Bid by as much or more than a specified amount (the **"Specified Amount"**) and the Specified Amount is not greater than 7% of the price or value per Voting Share and/or Convertible Security that is offered or proposed to be offered under the Lock-up Bid; or

- (II) the number of Voting Shares and/or Convertible Securities to be purchased under the other Take-over Bid or transaction exceeds the number of Voting Shares offered to be purchased under the Lock-up Bid by as much or more than a specified number of Voting Shares (the “**Specified Number of Shares**”) and the Specified Number of Shares is not greater than 7% of the number of Voting Shares offered to be purchased under the Lock-up Bid, at a price or value per Voting Share and/or Convertible Security, as applicable, that is not less than the price or value per Voting Share and/or Convertible Security offered under the Lock-up Bid;

and the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to match a higher price or value in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares and/or Convertible Securities from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares and/or Convertible Securities during the period of the other Take-over Bid or transaction; and

- (iii) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:
- (A) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to a Locked-up Person; and
- (B) 50% of the amount by which the price or value payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid;

shall be payable by a Locked-up Person pursuant to the agreement in the event a Locked-up Person fails to deposit or tender Voting Shares or Convertible Securities to the Lock-up Bid or withdraws Voting Shares or Convertible Securities previously tendered thereto in order to tender to another Take-over Bid or support another transaction;

- (oo) “**Person**” includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;
- (pp) “**Privacy Laws**” has the meaning set forth in Section 4.6 of this Agreement;
- (qq) “**Pro Rata Acquisition**” means an acquisition of Voting Shares or Convertible Securities by a Person pursuant to:
- (i) a Dividend Reinvestment Acquisition;
- (ii) a stock dividend, stock split or other event in respect of securities of one or more particular classes or series of the Corporation pursuant to which such Person becomes the Beneficial Owner of Voting Shares or Convertible Securities on the same *pro rata* basis as all other holders of securities of the particular class or series;
- (iii) any other event pursuant to which all holders of Voting Shares are entitled to receive Voting Shares or Convertible Securities on a *pro rata* basis; including pursuant to the receipt and/or exercise of rights issued by the Corporation to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation as part of a rights offering and not from any other Person and provided that the Person does not thereby acquire a greater percentage of

Voting Shares or securities convertible or exchangeable for Voting Shares, than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such receipt or exercise; or

- (iv) a distribution by the Corporation of Voting Shares, or securities convertible into or exchangeable for Voting Shares (and the conversion or exchange of such convertible or exchangeable securities) made pursuant to a prospectus or a distribution by way of private placement by the Corporation, provided that the Person does not thereby acquire a greater percentage of Voting Shares of that class or securities convertible or exchangeable for Voting Shares, than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition;
- (rr) **"Record Time"** means 12:01 a.m. (Eastern Time) on the Effective Date;
- (ss) **"Redemption Price"** has the meaning set forth in Section 5.1(c) of this Agreement;
- (tt) **"Right"** means a right to purchase a Common Share of the Corporation, upon the terms and subject to the conditions set forth in this Agreement;
- (uu) **"Rights Agent"** means Computershare Investor Services Inc., a company governed under the laws of Canada or any successor Rights Agent appointed pursuant to Section 4.4;
- (vv) **"Rights Certificate"** means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;
- (ww) **"Rights Holders' Special Meeting"** means a meeting of the holders of Rights called by the Board of Directors for the purpose of approving a supplement or amendment to this Agreement pursuant to Section 5.4(c);
- (xx) **"Rights Registers"** and **"Rights Registrar"** have the meaning set forth in Section 2.6(a) of this Agreement;
- (yy) **"Securities Act (Ontario)"** means the *Securities Act*, R.S.O. 1990, c. S.5, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations or rules thereto;
- (zz) **"Separation Time"** means the close of business on the tenth Trading Day after the earlier of:
 - (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of or first public announcement or public disclosure of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as the case may be; and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to qualify as such;or such later date as may be determined by the Board of Directors, provided that, if any such Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made and provided that if the Board of Directors determine pursuant to Section 5.1 to waive the application of Section 3.1 to a Flip-in Event prior to the Separation Time, such Flip in Event shall be deemed never to have occurred;
- (aaa) **"Special Meeting"** means a special meeting of the holders of Voting Shares, called by the Board of Directors for the purpose of approving a supplement, amendment or variation to this Agreement pursuant to Section 5.4(b) or Section 5.4(c);
- (bbb) **"Stock Acquisition Date"** means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed Pursuant to Part 5 of NI 62-104 or pursuant

to Section 13(d) of the U.S. Exchange Act) by the Corporation or an Acquiring Person of facts indicating that an Acquiring Person has become such;

- (ccc) **“Subsidiary”**: a Person is a Subsidiary of another Person if:
- (i) it is controlled by:
 - (A) that other; or
 - (B) that other and one or more Persons each of which is controlled by that other; or
 - (C) two or more Persons each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a Person that is that other’s Subsidiary;
- (ddd) **“Take-over Bid”** means an Offer to Acquire Voting Shares and/or Convertible Securities if, assuming that the Voting Shares and/or Convertible Securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Voting Shares (including Voting Shares that may be acquired upon conversion of Convertible Securities) together with the Offeror’s Securities constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the offer to Acquire;
- (eee) **“Trading Day”**, when used with respect to any securities, means a day on which the securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange or national securities quotation system, a Business Day;
- (fff) **“U.S.-Canadian Exchange Rate”** means, on any date: (i) if on such date the Bank of Canada sets a daily average rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith; and
- (ggg) **“Voting Shares”** means the Common Shares of the Corporation and any other shares in the capital of the Corporation entitled to vote in the election of directors.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Headings

The division of this Agreement into Articles, Sections, Paragraphs, or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

For purposes of this Agreement, the percentage of Voting Shares of any class Beneficially Owned by any Person, shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

A = the aggregate number of votes for the election of all directors on the Board of Directors generally attaching to the Voting Shares of that class Beneficially Owned by such Person; and

B = the aggregate number of votes for the election of all directors on the Board of Directors generally attaching to all outstanding Voting Shares of such class.

Where any Person is deemed to Beneficially Own unissued Voting Shares, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares owned by such Person.

1.5 Acting Jointly or in Concert

For purposes of this Agreement, a Person is acting jointly or in concert with every Person who, as a result of any agreement, commitment or understanding whether formal or informal, and whether or not in writing, with the first Person or any Associate or Affiliate of the first Person, acquires or makes an offer to acquire Voting Shares or Convertible Securities (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities or pledges of securities in the ordinary course of business).

ARTICLE 2 RIGHTS

2.1 Legend on Common Share Certificates

Common Share certificates that are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall evidence, in addition to Common Shares, one Right for each Common Share represented thereby and shall have impressed on, printed on, written on or otherwise affixed to them a legend in substantially the following form:

Until the Separation Time (defined in the Shareholder Rights Plan Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement, dated January 2, 2020 (the "**Shareholder Rights Plan Agreement**"), between the Corporation and Computershare Investor Services Inc. as amended from time to time, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Plan Agreement, the rights may be amended, redeemed, may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Plan Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

Any Common Shares issued and registered in Book Entry Form (that are evidenced by an advice or other statement on which are maintained electronically the records of the transfers) after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall evidence, in addition to the Common Shares, one Right for each Common Share represented by such registration and the registration record of such Common Shares shall include the foregoing legend, adapted accordingly as the Rights Agent may reasonably require.

Common Shares (both registered in Book Entry Form or for which share certificates have been issued) that are issued and outstanding at the Record Time, which as at the Record Time represent Common Shares, shall also evidence one Right for each Common Share evidenced thereby, notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (with the Exercise Price and number of Common Shares being subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time,

- (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Common Share of the Corporation registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) or by the Book Entry Form registration for the associated Common Shares and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.
- (c) From and after the Separation Time and prior to the Expiration Time:
- (i) the Rights shall be exercisable; and
 - (ii) the registration and transfer of Rights shall be separate from and independent of Common Shares.

Promptly following the Separation Time, the Corporation will determine whether it wishes to issue Rights Certificates or whether it will maintain the Rights in Book Entry Form. In the event that the Corporation determines to maintain Rights in Book Entry Form, it will put in place such alternative procedures as are directed by the Rights Agent for the Rights to be maintained in Book Entry Form (the “**Book Entry Rights Exercise Procedures**”), it being hereby acknowledged that such procedures shall, to the greatest extent possible, replicate in all substantive respects the procedures set out in this Agreement with respect to the exercise of the Rights Certificates and that the procedures set out in this Agreement shall be modified only to the extent necessary, as determined by the Rights Agent, to permit the Corporation to maintain the Rights in Book Entry Form. In such event, the Book Entry Rights Exercise Procedures shall be deemed to replace the procedures set out in this Agreement with respect to the exercise of Rights and all provisions of this Agreement referring to Rights Certificates shall be applicable to Rights registered in Book Entry Form in like manner as to Rights in certificated form.

In the event the Corporation determines to issue a Rights Certificate, it will prepare and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person, any other Person whose Rights are or become void pursuant to the provisions of Section 3.1(b) and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”), at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate in substantially the form set out in Attachment 1 hereof appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or judicial or administrative order or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (y) a description of the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first mentioned Person to furnish such information and documentation as the Corporation deems necessary or appropriate in order to make such determination.

- (d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent in the manner specified in the Rights Certificate:
- (i) the Rights Certificate evidencing such Rights;
 - (ii) an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate or as determined appropriate for Book Entry Form

- appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
- (iii) payment by certified cheque, banker's draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) In the event that the Corporation determines to issue a Rights Certificate, then upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Section 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Section 3.1(b), and payment as set forth in Section 2.2(d)(iii), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
- (i) direct the transfer agent to register, in the name of the holder of the Rights being exercised or in such other name as may be designated by such holder, in Book Entry Form the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agents to comply with all such requisitions);
- (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
- (iii) after receipt of confirmation from the transfer agent that the registration, in Book Entry Form, referred to in Section 2.2(e)(i) has been completed, deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
- (iv) when appropriate, after receipt, deliver the cash referred to in Section 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
- (v) tender to the Corporation all payments received on the exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Section 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of registration in Book Entry Form of such Common Shares (subject to payment of the Exercise Price), be duly authorized, validly issued and fully paid and non-assessable;
- (ii) take all such action as may be necessary and within its power to comply with the provisions of Section 3.1 including all actions necessary to comply with the requirements of the BCBCA, the *Securities Act* (Ontario), and the securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;
- (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal stock exchanges on which such Common Shares were traded immediately prior to the Stock Acquisition Date;
- (iv) pay when due and payable, if applicable, any and all Canadian federal, provincial, state and municipal transfer taxes and charges (not including any income or capital taxes of the holder

or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or the registration in Book Entry Form of Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the registration in Book Entry Form of Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and

- (v) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:
 - (i) declare or pay a dividend on Common Shares payable in Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) other than pursuant to any Dividend Reinvestment Plan;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) in respect of, in lieu of or in exchange for existing Common Shares except as otherwise provided in this Section 2.3, the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights, shall be adjusted as of the payment or effective date in the manner set forth below. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1(a), the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under Section 3.1(a).

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) (the “**Expansion Factor**”) that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and
- (y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will

be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter after giving full effect to such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any shares of capital stock other than Common Shares in a transaction of a type described in Section 2.3(a)(i) or 2.3(a)(iv), shares of such capital stock shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in this Section 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Common Share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per share) less than the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Common Share; and
 - (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to a Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger, amalgamation, arrangement, plan, compromise or reorganization in which the Corporation is the continuing or successor Corporation) of evidences of indebtedness, cash (other than a regular periodic cash dividend or a dividend referred to in Section 2.3(a)(i)), but including any dividend payable in securities other than Common Shares), assets or rights, options or warrants (excluding those referred to in Section 2.3(b) hereof), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights), on a per share basis, of the portion of the cash, assets, evidences of indebtedness, rights, options or warrants so to be distributed; and
 - (ii) the denominator of which shall be such Market Price per Common Share.
- Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such a distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.
- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Notwithstanding the first sentence of this Section 2.3(d), any adjustment required by Section 2.3 shall be made no later than the earlier of:
- (i) three years from the date of the transaction which gives rise to such adjustment; or
 - (ii) the Expiration Time.
- (e) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any shares of capital stock (other than Common Shares), or rights, options or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock in a transaction referred to in Sections 2.3(a)(i) or 2.3(a)(iv) above, if the Board of Directors acting in good faith determines that the adjustments contemplated by Sections 2.3(a), (b) and (c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Sections 2.3(a), (b) and (c) above, such adjustments, rather than the adjustments contemplated by Sections 2.3(a), (b) and (c) above, shall be made, subject to the prior consent of the holders of the Voting Shares or the Rights as set forth in Section 5.4(b) or 5.4(c), and the Corporation and the Rights Agent shall have authority upon receiving such prior consent of the holders of the Voting Shares to amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided for herein.
- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.

- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.
- (i) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
- (i) consolidation or subdivision of Common Shares;
 - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
 - (iii) stock dividends; or
 - (iv) issuance of rights, options or warrants referred to in this Section 2.3,
- hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.
- (j) If, as a result of an adjustment made pursuant to Section 3.1, the holder of any Right thereafter exercised shall become entitled to receive any securities other than Common Shares, thereafter the number of such other securities so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as may be practicable to the provisions with respect to the Common Shares contained in the foregoing subsections of this Section 2.4 and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other securities.
- (k) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon the exercise of Rights is made pursuant to this Section 2.3, the Corporation shall promptly:
- (i) prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
 - (ii) file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate; and
 - (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

2.4 Date on Which Exercise Is Effective

Each Person in whose name a registration in Book Entry Form for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Section 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be

deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

Rights will be evidenced, in the case of Rights in Book Entry Form, by a statement issued under the Rights Agent's direct registration system, or alternatively, if the Corporation determines to issue Rights Certificates, by the following procedures:

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any two of its Chairman, President and Chief Executive Officer, its Chief Financial Officer or its Corporate Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver the Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (in a manner satisfactory to the Corporation) and send such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the "**Rights Registrar**") for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(c), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered. Alternatively, in the case of the exercise of Rights in Book Entry Form, the Rights Agent shall provide the holder or the designated transferee or the transferees with one or more statements issued under the Rights Agent's direct registration system evidencing the same aggregate number of Rights as did the direct registration system's records for the Rights transferred or exchanged.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) The Corporation shall not be required to register the transfer or exchange of any Rights after the Rights have been terminated pursuant to the provisions of this Agreement.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:
 - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
 - (ii) such security and indemnity as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a *bona fide* purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "**holder**" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Common Share).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;

- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that without the approval of any holder of Rights or Voting Shares and upon the sole authority of the Board of Directors acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to Section 5.4(a) and the last sentence of the penultimate paragraph of Section 2.3(a); and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or to any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a government, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

2.11 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3 ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Section 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, then each Right shall constitute, effective at the close of business on the tenth Trading Day (or such longer period as may be required to satisfy the requirements of the *Securities Act* and any comparable legislation of any other applicable jurisdiction) after the Stock Acquisition Date, the right to purchase from the Corporation, upon exercise of the Right in accordance with the terms of this Agreement, that number of Common Shares having an aggregate Market Price on the date of occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the consummation or occurrence or

event, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time and the Stock Acquisition Date by:

- (i) an Acquiring Person (or any nominee, Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any nominee, Affiliate or Associate of such Acquiring Person); or
- (ii) a transferee or other successor in title of Rights, directly or indirectly, from an Acquiring Person (or any nominee, Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any nominee, Affiliate or Associate of an Acquiring Person), where such transferee or successor in title becomes a transferee or successor in title concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any nominee, Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any nominee, Associate or Affiliate of an Acquiring Person), that has the purpose or effect of avoiding Section 3.1(b)(i),

shall be deemed null and void without any further action, and any holder of such Rights (including any transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not void under this subsection 3.1(b) shall be deemed to be an Acquiring Person for the purposes of this subsection 3.1(b) and such Rights shall be deemed and become null and void.

(c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the BCBCA, the *Securities Act* (Ontario) and the securities laws or comparable legislation in each of the provinces of Canada in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

(d) Any Rights Certificate that would represent Rights Beneficially Owned by a Person described in either Section 3.1(b)(i) or 3.1(b)(ii) or transferred to any nominee, Associate or Affiliate of any such Person, and any Rights Certificate that would be issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall either not be issued by either upon the instruction of the Corporation in writing to the Rights Agent or contain the following legend:

The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement). This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1(b) of the Shareholder Rights Plan Agreement.

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. The issuance of a Rights Certificate without the legend referred to in this Section 3.1(d) shall be of no effect on the provisions of Section 3.1(b). The issuance of a Rights Certificate

without the legend referred to in this Section 3.1(d) shall be of no effect on the provisions of Section 3.1(b).

ARTICLE 4 THE RIGHTS AGENT

4.1 General

(a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions of this Agreement, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint one or more Co-Rights Agents (“**Co-Rights Agents**”) as it may deem necessary or desirable, subject to approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agents. The Corporation agrees to pay the Rights Agent reasonable compensation for all services rendered by it hereunder or otherwise agreed to with the Corporation in writing and, from time to time, on demand of the Rights Agent, its reasonable expenses (including counsel fees and disbursements of legal counsel, to the extent they are reasonable) incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its officers, directors, employees and agents for, and to hold such persons harmless against, any loss, liability, cost, claim, action, suit, damage, or expense incurred (that is not the result of gross negligence, bad faith or wilful misconduct on the part of any one or all of the Rights Agent, its officers, directors, employees or agents) for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claims or liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.

(b) The Rights Agent shall be protected from and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

(c) Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages unless caused by the gross negligence, bad faith or wilful misconduct of the Rights Agent.

Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Corporation to the Rights Agent under this Agreement.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

(a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the security holder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights

Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of certificates for Common Shares and Rights Certificates, by their acceptance thereof, shall be bound.

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation and, in any event, shall be a reputable legal firm) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement (at the Corporation's expense) and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert.
- (b) Whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, President, any Vice President, Treasurer, Secretary, or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) The Rights Agent will be liable hereunder only for events which are the result of its own gross negligence, bad faith or wilful misconduct.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights

or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.

- (f) Each of the Corporation and the Rights Agent agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing of the provisions of this Agreement.
- (g) The Rights Agent is hereby authorized and directed to accept instructions in writing (including by e-mail) with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, any Executive or Senior Vice President or any other Vice President, Treasurer, Secretary or any Assistant Secretary of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual.
- (h) The Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become financially interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity, provided such actions would not place the Rights Agent in a position of conflict of interest with respect to its duties under this Agreement.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 60 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent (at the Corporation's expense) or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a company constituted under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receipt of all outstanding fees and expenses owing to it, shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. The cost of giving any notice required under this Section 4.4, shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

4.5 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten (10) Business Days' prior written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such ten (10) Business Day period, then such resignation shall not be effective. Subject to applicable law, the Rights Agent agrees to notify the Corporation as soon as reasonably possible in the event that the Rights Agent has concerns which may give rise to the rights of the Rights Agent to resign under this paragraph and such notice shall describe the basis for such concerns.

4.6 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") may apply to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent pursuant to this Agreement, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Directors shall waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined, following a Stock Acquisition Date and prior to the Separation Time, that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Section 5.1(a) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.
- (b) The Board of Directors acting in good faith may, prior to a Flip-in Event having occurred, upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares (which for greater certainty shall not include the circumstances described in Section 5.1(a)), provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Section 5.1(b), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-Over Bid which is made by means of a Take-Over Bid circular to all holders of Voting Shares prior to the expiry of any Take-Over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been granted under this Section 5.1(b).
- (c) In the event that prior to the occurrence of a Flip-in Event a Person acquires, pursuant to a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition (other than an Exempt Acquisition pursuant to (iii) of such definition) under Section 5.1(b), outstanding Voting Shares, then the Board of Directors shall, immediately upon the consummation of such acquisition without further formality

- be deemed to have elected to redeem all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the “Redemption Price”).
- (d) The Board of Directors may, with the prior approval of the holders of Voting Shares or Rights given in accordance with the terms of Section 5.4, at any time prior to the occurrence of a Flip-in Event elect to redeem all but not less than all of the then outstanding Rights at the Redemption Price appropriately adjusted in a manner analogous to the applicable adjustments provided for in Section 2.3, which adjustments shall only be made in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred.
 - (e) The Board of Directors may, with the prior approval of the holders of Common Shares given in accordance with Section 5.4 at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 hereof has not been waived pursuant to this Section 5.1(a), if such Flip-in Event would occur by reason of an acquisition of Common Shares or Convertible Securities otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all registered holders of Common Shares and otherwise than in the circumstances set forth in Section 5.1(a), waive the application of Section 3.1 to such Flip-in Event. In such event, the Board of Directors shall extend the Separation Time to a date at least ten (10) Business Days subsequent to the meeting of shareholders called to approve such waiver.
 - (f) The Board of Directors may, prior to the close of business on the tenth Trading Day following a Stock Acquisition Date or such later Business Day as they may from time to time determine, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 to the related Flip-in Event, provided that the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or has entered into a contractual arrangement with the Corporation, acceptable to the Board of Directors, to do so within 10 calendar days of the date on which such contractual arrangement is entered into or such other date as the Board of Directors may have determined) such that at the time the waiver becomes effective pursuant to this Section 5.1(f) such Person is no longer an Acquiring Person. In the event of such a waiver becoming effective prior to the Separation Time, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred.
 - (g) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. Notwithstanding the foregoing, upon the Rights being redeemed pursuant to this Section 5.1(g), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred and the Rights shall remain attached to outstanding Common Shares subject to and in accordance with this Agreement.
 - (h) If the Board of Directors is deemed under Section 5.1(c) to have elected or elects under Section 5.1(d) or (g) to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
 - (i) Within 10 calendar days after the Board of Directors is deemed under Section 5.1(c) to have elected or elects under Section 5.1(d) or (g) to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.
 - (j) The Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 pursuant to this Section 5.1.

5.2 Expiration

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make any amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of the Agreement as a result of any change in any applicable legislation, regulations or rules thereunder. Notwithstanding anything in this Section 5.4 to the contrary, no amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Voting Shares at a Special Meeting, which Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and the requirements in the constating documents of the Corporation. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by all holders of Voting Shares (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially Owned by such holder), represented in person or by proxy at the Special Meeting.
- (c) The Corporation may, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Rights at a Rights Holders' Special Meeting, which Rights Holders' Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and, to the extent possible, with the requirements in the constating documents of the Corporation applicable to meetings of holders of Common Shares, applied *mutatis mutandis*. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Section 3.1(b)), represented in person or by proxy at the Rights Holders' Special Meeting.
- (d) Any consent or approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are null and void pursuant to the provisions hereof or Rights that are held by a Person that acquired Beneficial Ownership of Voting Shares in breach of any agreement, commitment or understanding with the Corporation or any of its Affiliates) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's constating documents and the BCBCA with respect to the meetings of holders of Common Shares.

- (e) The Corporation shall be required to provide the Rights Agent with notice in writing of any such amendment, variation or deletion to this Agreement as referred to in this Section 5.4 within five days of effecting such amendment, variation or deletion.
- (f) Any amendments, variations or deletions made by the Corporation to this Agreement pursuant to Section 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, regulation or rule thereunder shall:
 - (i) if made before the Separation Time, be submitted to the holders of Voting Shares at the next meeting of shareholders and the holders of Voting Shares may, by the majority referred to in Section 5.4(b) confirm or reject such amendment; or
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(d) confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights and the Corporation shall not be required to pay any amount to a holder of record of Rights Certificates in lieu of such fractional Rights.
- (b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall be entitled to pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holder of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, and without limiting

the generality of the foregoing, necessary approvals of any stock exchange shall be obtained, such as approvals relating to the issuance of Common Shares upon the exercise of Rights under Section 2.2(d).

5.8 Declaration as to Foreign Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

First Quantum Minerals Ltd.
543 Granville Street, 14th Floor
Vancouver, British Columbia V6C 1X8

Attention: Ryan MacWilliam

Email: Ryan.MacWilliam@fqml.com

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid, and confirmed in writing, as follows:

Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
Vancouver, B.C. V6C 3B9

Attention: Jenny Karim

Fax No.: 1+604-661-9401

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by certified mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Costs of Enforcement

The Corporation agrees that if it fails to fulfil any of its obligations pursuant to this Agreement, then it will reimburse the holder of any Rights for the costs and expenses (including reasonable legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and permitted assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of British Columbia and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.15 Effective Date

This Agreement is effective and in full force and effect in accordance with its terms from and after the Effective Date. Notwithstanding the foregoing, if this Agreement is not approved by resolution passed by a majority of the votes cast by shareholders of the Corporation (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) who vote in respect of such approval at the annual meeting of shareholders of the Corporation to be held in 2020, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect from and after the end of such annual meeting of the shareholders of the Corporation.

5.16 Reconfirmation

This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by all holders of Voting Shares who vote in respect of such reconfirmation (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially Owned by such Person) at every third annual meeting following the meeting of shareholders at which this Agreement is confirmed. If this Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 5.1 prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.15).

5.17 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors for the purposes hereof, in good faith, shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

5.18 Time of the Essence

Time shall be of the essence in this Agreement.

5.19 Execution in Counterparts

This Agreement may be executed in any number of counterparts and may be executed and delivered by facsimile or similar electronic copy and each of such counterparts and facsimiles or similar electronic copies shall for all purposes be deemed to be an original, and all such counterparts and facsimiles or similar electronic copies shall together constitute one and the same agreement.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

FIRST QUANTUM MINERALS LTD.

By: (signed) "Sarah Robertson"
Name: Sarah Robertson
Title: Corporate Secretary

By: (signed) "Clive Newall"
Name: Clive Newall
Title: Director

COMPUTERSHARE INVESTOR SERVICES INC.

By: (signed) "Jenny Karim"
Name: Jenny Karim
Title: Relationship Manager

By: (signed) "Jennifer Reggin"
Name: Jennifer Reggin
Title: Manager

Attachment 1

FIRST QUANTUM MINERALS LTD.

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No. _____

Rights _____

99

THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, THEIR RESPECTIVE ASSOCIATES AND AFFILIATES (AS SUCH TERMS ARE DEFINED IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT) OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID WITHOUT ANY FURTHER ACTION.

• **Rights Certificate**

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated January 6, 2019, as the same may be amended or supplemented from time to time, (the "**Shareholder Rights Plan Agreement**"), between First Quantum Minerals Ltd., a corporation governed pursuant to the laws of the Province of British Columbia, and Computershare Investor Services Inc., a corporation governed pursuant to the laws of Canada (the "**Rights Agent**") (which term shall include any successor Rights Agent under the Shareholder Rights Plan Agreement), to purchase from First Quantum Minerals Ltd. at any time after the Separation Time (as such term is defined in the Shareholder Rights Plan Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Plan Agreement), one fully paid common share of First Quantum Minerals Ltd. (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the city of Vancouver, British Columbia or any other city as may be designated by the Corporation from time to time. The Exercise Price per Right shall be determined from time to time in accordance with the terms of the Shareholder Rights Plan Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Plan Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Plan Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, First Quantum Minerals Ltd. and the holders of the Rights Certificates. Copies of the Shareholder Rights Plan Agreement are on file at the registered office of First Quantum Minerals Limited.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Plan Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of First Quantum Minerals Ltd. or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Plan Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Plan Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

(Signature page follows)

WITNESS the parties hereto caused this Agreement to be duly executed as the date first above written.

FIRST QUANTUM MINERALS LIMITED

By: _____
President

COMPUTERSHARE INVESTOR SERVICES INC.

By: _____
Authorized Signature



FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers
unto _____
(Please print name and address of transferee.)

The Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, as attorney, to transfer the within Rights on the books of First Quantum Minerals Ltd., with full power of substitution.

Dated: _____

Signature

Signature Guaranteed:

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule I chartered bank or an eligible guarantor institution with membership in an approved signature medallion guarantee program.



CERTIFICATE

(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Voting Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Signature

(To be attached to each Rights Certificate.)

FORM OF ELECTION TO EXERCISE

(To be exercised by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: FIRST QUANTUM MINERALS LTD. AND COMPUTERSHARE INVESTOR SERVICES INC.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

(Name)

(Address)

(City and Province)

Social Insurance Number, Social Security Number or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Address)

(City and Province)

Social Insurance Number, Social Security Number or other taxpayer identification number.



Dated: _____

Signature

Signature Guaranteed:

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule I chartered bank or an eligible guarantor institution with membership in an approved signature medallion guarantee program.



CERTIFICATE

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Voting Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Signature

(To be attached to each Rights Certificate.)

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election to Exercise is not completed, First Quantum Minerals Ltd. will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.

Schedule B - ADVANCE NOTICE PROVISIONS

15. ADVANCE NOTICE REQUIREMENTS FOR ELECTION OF DIRECTORS

15.1 Definitions

In this Article 15, unless the context otherwise requires:

1. “*Applicable Securities Laws*” means the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada;
2. “*Person*” includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;
3. “*Public Announcement*” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

15.2 Nomination of Directors

Only Persons who are eligible under the *Business Corporations Act* and who are nominated in accordance with the provisions herein shall be eligible for election as directors of the Company. At any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, nominations of Persons for election to the Board may be made only:

- a) by or at the direction of the Board, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with Part 5, Division 7 of the *Business Corporations Act*, or pursuant to a requisition of the shareholders made in accordance with Section 167 of the *Business Corporations Act*; or
- c) by any Person (a “Nominating Shareholder”): (i) who, at the close of business on the date that the Nominating Shareholder’s Notice (as defined below) is given and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such ownership that is satisfactory to the Company, acting reasonably; and (ii) who complies with all notice procedures set forth herein.

15.3 Timely Notice

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Section 15.4 below) and in proper written form (in accordance with Section 15.5 below) to the Corporate

Secretary of the Company at the registered office of the Company (as set out in section 15.8 of this Article 15).

15.4 Manner of Timely Notice

To be timely, the Nominating Shareholder's Notice to the Corporate Secretary of the Company must be made:

- a) in the case of an annual general meeting of shareholders, not less than thirty (30) days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "Notice Date") on which the first Public Announcement of the date of the annual general meeting was made, the Nominating Shareholder's Notice may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made,

provided that, in either instance, if the Company uses "notice-and-access" (as defined in *National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in Section 0(a) or 0(b) above, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

15.5 Proper Form of Timely Notice

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

- a) as to each Person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the Person; (ii) the present principal occupation or employment of the Person and the principal occupation or employment within the five years preceding the notice; (iii) the country of residence of the Person; (iv) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the Person as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) full particulars regarding any agreements between the Person and/or the Nominating Shareholder and/or any other person or company relating to the Person's nomination for election as a director of the Company; and (vi) any other information relating to the Person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and
- b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; (collectively with Section 0(a), the "Nominating Shareholder's Notice").

The Company may require any proposed nominee to furnish such other information as may be required to be contained in a dissident's proxy circular or by Applicable Securities Laws to determine the independence of the Proposed Nominee or the eligibility of such proposed nominee to serve as a director of the Company.

15.6 Notice to be Updated

To be considered timely and in proper written form, the Nominating Shareholder's Notice will be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such

Nominating Shareholder's Notice will be true and correct as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors.

15.7 Eligibility for Nomination as a Director

No Person shall be eligible for election as a director of the Company (except pursuant to Section 15.2(a) unless nominated in accordance with the provisions of this Article 15; provided, however, that nothing in this Article 15 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act* or at the discretion of the Chair of the Board. The Chair of the Board of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Article 0, and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be deemed voided and subsequently disregarded.

15.8 Delivery of Notice

Notwithstanding any other provision in this Article 0, notice given to the Corporate Secretary of the Company pursuant to this Article 0 may only be given by personal delivery, facsimile transmission or email (provided that the Corporate Secretary has stipulated an e-mail address for purposes of this Article 15), and shall be deemed to have been given and received only at the time it is served by personal delivery or sent by facsimile transaction (provided that receipt of confirmation of such transmission has been received) or by e-mail (at the address as aforesaid) to the Corporate Secretary at the registered office of the Company as follows:

First Quantum Minerals Ltd.
14th Floor, 543 Granville Street
Vancouver, British Columbia
V6C 1X8

provided that if such delivery or electronic transmission is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic transmission shall be deemed to have been made on the subsequent day that is a business day.

15.9 Board's Discretion

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any and all requirements in this Article 15.

Schedule C - ADDITIONAL AMMENDMENTS

Quorum for Shareholder Meetings

Currently the Company's quorum requirement with respect to shareholder meetings is set out in Article 11.3. The Company would like to remove the current Article 11.3 in its entirety and replace it with the following new Article 11.3:

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two shareholders holding, in the aggregate, no less than 25% of the total class or series of shares entitled to vote at the meeting whether in person or by proxy.

Requirement of Quorum

Currently the Company's requirement of quorum to transact certain business at shareholder meetings is set out in Article 11.6. The Company would like to remove the current Article 11.6 in its entirety and replace it with the following new Article 11.6:

11.6 Requirement of Quorum

No business, other than the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

Number of Directors

Currently the Company's number of directors requirements are set out in Article 13.1. The Company would like to remove the current Article 13.1 in its entirety and replace it with the following new Article 13.1:

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Business Corporations Act. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of five and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

Alternate Directors

Currently the Company's appointment of alternate director requirements are set out in Article 15. The Company would like to delete the current Article 15 in its entirety.

Appointment of Attorney of Company

Currently the Company's appointment of attorney requirements are set out in Article 16.2. The Company would like to delete the current Article 16.2 in its entirety.

Quorum for Meeting of Directors

Currently the Company's quorum requirement with respect to meetings of directors is set out in Article 18.10. The Company would like to remove the current Article 18.10 in its entirety and replace it with the following new Article 18.10:

18.10 Quorum

The quorum necessary for the transaction of the business of the directors is a majority of the directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.



FIRST QUANTUM
MINERALS

www.first-quantum.com