



COMPENSATION COMMITTEE TERMS OF REFERENCE

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1. PURPOSE

The Compensation Committee shall be responsible for reviewing and approving on behalf of the board of directors all matters pertaining to compensation and benefits to senior executive officers and directors of LSC Lithium Corporation and its subsidiaries (collectively, referred to as the “Corporation”), including compensation and benefits awarded to senior executive officers under the management services agreements, as amended from time to time, (the “Management Services Agreements”) entered into by the Corporation with its significant shareholder (the “Management Services Companies”), as well as any other significant human resources or organizational policies generally impacting employees of the Corporation.

2. MEMBERSHIP

The Committee shall be appointed annually by the board of directors and consist of at least three directors, a majority of whom shall not be officers or employees of the Corporation or any of its affiliates (other than the chairman of the Corporation). A member may be removed at any time by the board of directors and shall cease to be a member upon ceasing to be a director of the Corporation. Vacancies may be filled by the board of directors or the Committee for the remainder of the departing member’s term of appointment.

3. MEETINGS AND PROCEDURES

The Committee shall meet at least 2 times per year. Unless otherwise ordered by the board of directors, the Committee shall have the power to fix its quorum at no less than a majority of its members and to regulate the proceedings, including as to the calling of meetings. The Committee shall not transact business except at a meeting at which a quorum is present or by a resolution in writing signed by all of the members of the Committee.

Unless otherwise ordered by the board of directors, the Committee shall have the power to elect its own chairman.

The Committee shall appoint a secretary who shall keep minutes of all Committee meetings.

The Committee will have access to independent consultants and advisors and officers and employees of the Corporation and the Management Services Companies, as well as to such information and records respecting the Corporation, as it considers necessary in order to perform its duties and responsibilities.

4. DUTIES AND RESPONSIBILITIES

The Committee shall:

- a) Review the appointment of any senior executive officers that will provide services to the Corporation under the Management Services Agreements or otherwise;
- b) Review the performance of senior executive officers that provide services to the Corporation under the Management Services Agreements or otherwise;
- c) Review and approve the compensation of senior executive officers, including, the allocation to the Corporation of the portion of the total compensation paid by the Management Services Companies to the senior executive officers of the Corporation under the Management Services Agreements, with consideration of appropriate information regarding compensation policies for Canadian companies of comparable size operating in similar industries;
- d) Confirm material management perquisites and benefit plans offered to senior executive officers of the Corporation under the Management Services Agreements or otherwise;

- e) Review any material matters with respect to employment contracts, termination benefits, confidentiality and non-competition agreements and pension, RRSP and other plans affecting senior executive officers of the Corporation under the Management Services Agreements or otherwise;
- f) Review policies and principles relating to the grant of stock options of the Corporation as may be applicable from time to time;
- g) On behalf of the board of directors, grant stock options under the Corporation's stock option plan, as amended from time to time, in accordance with the terms of such plan or as otherwise authorized by the board of directors and permitted under applicable securities laws and the rules of the TSX Venture Exchange or any other securities regulatory authority;
- h) Review and approve the executive compensation disclosure in the Corporation's annual management information circular and such other disclosure on executive compensation contained in the Corporation's continuous disclosure documents as required by the TSX Venture Exchange or any other securities regulatory authority; and
- i) Review and make recommendations to the board of directors with respect to the compensation to be paid to non-executive board members, committee members and chairmen.

5. REPORTING AND ACCOUNTABILITY

The Committee shall report to the board of directors at its next regular meeting all action it has taken since its previous report to the board, and shall make any recommendations to the board arising as a result of such action.

The Committee shall review this Terms of Reference annually and propose any necessary changes to the board of directors.