



Human Resources and Compensation Committee Charter

1. Purpose

The overall purpose of the Human Resources and Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of New Gold Inc. (the “**Company**”) is to assist the Board in fulfilling its oversight responsibilities with respect to human capital, human resources and compensation matters, including: (i) establishing and monitoring guidelines and practices with respect to compensation and benefits provided by the Company to its employees, (ii) overseeing the Company’s equity-linked compensation plans for employees, (iii) ensuring the human resources strategy supports execution of the Company’s strategic plan, and (iv) monitoring the Company’s significant policies, programs and practices related to human resources, including recruitment, training, development, career planning, performance management, succession planning and corporate culture.

2. Composition, Procedures and Organization

- a. The Committee shall consist of at least three members of the Board, all of whom shall be “independent” as defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and under applicable stock exchange requirements.
- b. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time add, remove or replace any member of the Committee and may fill any vacancy in the Committee. A member will automatically cease to be on the Committee upon ceasing to be a director.
- c. Unless the Board shall have appointed a chair (the “**Chair**”) of the Committee, the members of the Committee shall elect a Chair from among their number.
- d. The Chair will appoint a secretary of each meeting of the Committee, who need not be a member of the Committee and who will maintain the minutes of the meeting.
- e. A quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other electronic communications device that permits all persons participating in the meeting to speak and to hear each other.
- f. The President and Chief Executive Officer (the “**CEO**”) of the Company shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Chair. Each of the CEO and the Chair of the Board, respectively, shall not be present when the Committee discusses or votes on his or her compensation.

- g. The Committee shall have access to such officers and employees of the Company, its external auditors and its legal counsel and to such information respecting the Company as the Committee considers to be necessary or advisable in order to perform its duties and responsibilities.
- h. The Committee may, in its sole discretion, engage compensation consultants, independent legal counsel or other advisors (any of which, an “**Advisor**”) at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities. Prior to selecting an Advisor, the Committee will take into consideration all relevant factors, including:
 - i. the provision of other services to the Company by the Advisor (or, if applicable, his or her employer);
 - ii. the amount of fees received from the Company by the Advisor (or, if applicable, his or her employer) as a percentage of the total revenue of the Advisor (or, if applicable, his or her employer);
 - iii. the policies and procedures of the Advisor (or, if applicable, his or her employer) that are designed to prevent conflicts of interest;
 - iv. any securities of the Company owned by the Advisor (or, if applicable, his or her employer);
 - v. any business or personal relationship of the Advisor with a member of the Committee; and
 - vi. any business or personal relationship of the Advisor with an executive officer or director of the Company.

3. Meetings

The Committee shall meet on a regular basis and no less than four times per year and otherwise as necessary. The Chair or any two members of the Committee may call a meeting of the Committee. The Committee shall hold in camera sessions without the presence of management at each meeting (unless the members of the Committee present determine that such a session is not required).

4. Duties and Responsibilities

The duties and responsibilities of the Committee shall be as follows:

- a. to review corporate goals and objectives relevant to the compensation of the CEO and other officers and make recommendations to the Board regarding such goals and objectives, evaluate the CEO’s performance in light of those corporate goals and objectives, and make recommendations to the Board regarding the CEO’s compensation and performance review based on this evaluation;

- b. in conjunction with the CEO, to make recommendations to the Board with respect to other officer compensation and equity-linked compensation grants for other officers based on performance in light of corporate goals and objectives;
- c. in conjunction with the CEO, oversee the development and execution of a human capital and human resources strategy and organizational design to support execution of the Company's strategic plan and objectives;
- d. in conjunction with the CEO, to review periodically and provide input with respect to the Company's significant policies, programs and practices related to recruitment, training, development, career planning, performance management, succession planning, severance and retention of employees;
- e. in conjunction with the CEO, to assess the culture of the Company, globally and at specific sites, and overall employee sentiment and recommend to the CEO plans or programs to improve employee engagement and satisfaction;
- f. to establish a compensation philosophy for the Company;
- g. to oversee and review the terms of the Company's equity-linked compensation plans for employees, and any other compensation plans and policies for employees and make recommendations to the Board;
- h. to review, at least annually, succession plans for the Company's executive officers and report to the Board on succession planning;
- i. to the extent determined appropriate by the Committee, to review recommendations from the CEO for option grants and other equity-linked compensation grants for employees who are not officers of the Company and, as appropriate, recommend such grants to the Board;
- j. to exercise the rights and obligations provided to the Committee under the Company's equity-linked compensation plans or delegated to the Committee by the Board with respect to the equity-linked compensation plans;
- k. to report regularly to the Board on all of the Committee's key activities and findings during that year;
- l. to monitor and ensure that the principal risks associated with the Company's human resources and compensation policies and practices are identified, and that plans and processes are in place to manage or mitigate these risks, including (i) overseeing practices of the Company for identifying and mitigating compensation policies and practices that could encourage inappropriate or excessive risks; and (ii) ensuring that identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company are disclosed in the Company's annual executive compensation disclosure; and

- m. to review all disclosure relating to executive compensation and human resources matters before the Company publicly discloses such information.

5. Chair of the Committee

The duties of the Chair of the Committee are set out in the Board Mandate.

6. Review

This Charter will be reviewed annually by the Committee in consultation with the Corporate Governance and Nominating Committee and any recommended changes will be submitted to the Board for approval.

Last updated, reviewed and approved by the Board on November 25, 2020.