



UNEARTHING THE FUTURE



MANAGEMENT PROXY CIRCULAR

MAY 4, 2017

2017 Management Proxy Circular

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Notice of our 2017 annual general meeting of shareholders

You are invited to our 2017 annual general meeting of shareholders.

When

Thursday, May 4, 2017
10:00 am

Where

Club Saint-James - Salon Midway
1145, Union Avenue
Montréal, Québec, H3B 3C2

Your vote is important

If you held common shares of SEMAFO on March 22, 2017, you are entitled to receive notice of and to vote at this meeting.

We are again using the *Notice and access* procedure to deliver meeting materials to our shareholders. *Notice and Access* allows companies to post meeting materials online rather than send them by mail, reducing paper as well as mailing costs. You can view our meeting materials online at www.semafo.com/2016_Proxy_Material_EN and at www.sedar.com.

You may obtain a paper copy of the meeting materials at no cost. If the control number indicated on your proxy or voting instruction form contains:

- **15 digits**, please call the toll-free number 1-866-962-0498 if you are in North America or (+1) 514 982-8716 if you are outside North America
- **16 digits**, please call the toll-free number 1-877-907-7643 if you are in North America or (+1) 905-507-5450 if you are outside North America.

You will need to enter your control number. Additional information on how the notice and access rules work can also be obtained at either of these numbers. Make sure that you call the appropriate telephone number **depending on the number of digits indicated** on your proxy or voting instruction form.

In order to allow you sufficient time to receive and review the meeting materials and return the form of proxy or voting instructions form in the prescribed time, paper copies of the meeting materials must be requested no later than April 21, 2017.

The enclosed management proxy circular describes what the meeting will cover and how to vote. Please read it carefully.

By order of the Board.

(Signed)

Eric Paul-Hus
Vice-President, Law, Chief Compliance Officer and Corporate Secretary

March 24, 2017
Saint-Laurent, Québec

Management proxy circular

In this document, *you* and *your* refer to the shareholder. *We, us, our* and SEMAFO mean SEMAFO Inc.

You have received this circular because you owned SEMAFO common shares on March 22, 2017.

As a shareholder, you have the right to attend our annual general meeting of shareholders on May 4, 2017 at 10:00 am and to vote your shares in person or by proxy. Your proxy is solicited by management.

On March 7, 2017, the Board of Directors approved the contents of this document and authorized us to send it to you. We have also sent a copy to each director and to the auditors. The information in this circular is as of March 7, 2017 unless otherwise indicated.

Your vote is important. This circular describes what the meeting will cover and how to vote. Please read it carefully and vote, either by proxy or by attending the meeting in person.

(Signed)

Eric Paul-Hus

Vice-President, Law, Chief Compliance Officer and Corporate Secretary

March 24, 2017

Letter to Shareholders

Dear Shareholders,

On behalf of SEMAFO's Board of Directors, management and employees, it is with great pleasure that we invite you to attend our Annual General Meeting of Shareholders to be held on Thursday, May 4, 2017 at 10:00 am at Club Saint-James.

At the meeting, you will vote on important matters and have the opportunity to hear about our performance in 2016 and get an update on the construction of our Natougou project. You will also have the opportunity to meet face to face with management and the directors.

This is an exciting time for your company as SEMAFO is reinventing itself with what should become the new gold mine standard in West Africa.

We invite you to read our *Management Proxy Circular* and to exercise your right to vote.

We look forward to seeing you at the meeting.

Yours sincerely,

(Signed)

Jean Lamarre
Chair of the Board

(Signed)

Benoit Desormeaux, CPA, CA
President and Chief Executive Officer

Our Shareholders' Meeting

WHAT THE MEETING IS ABOUT

Directors

You will elect directors to the Board. *Nominee directors* starting on page 9 tells you about the nominee directors, their background, experience, the Board committees they sit on, the other companies they serve as board members, their continuing education activities in 2016 as well as their ownership in SEMAFO. All directors are elected for a term of one year. See pages 9 to 19.

Auditors

You will vote on appointing the auditors. The Board, on the recommendation of the Audit committee, proposes that PricewaterhouseCoopers LLP (*PwC*) be reappointed as auditors. *Auditors* on page 20 tells you about the services PwC provided in 2016 and 2015 and the fees we paid them. A representative of PwC has been invited to and will attend the meeting.

Amended and Restated Shareholder Rights Plan

You will vote on amending and restating your shareholder rights plan. *Amended and restated shareholder rights plan* starting on page 21 tells you about your plan and why it needs to be amended and restated. See pages 21 to 24.

By-law No. 2017-1

You will vote on approving by-law No. 2017-1. *By-law No. 2017-1* on page 25 tells you about by-law No. 2017-1 and why it needs to be approved.

Say on Pay

You will vote on our approach to executive compensation. Your vote is advisory and non-binding and will provide feedback to the Human resources and corporate governance committee and the Board. See page 26.

Financial statements

See our 2016 consolidated audited financial statements available on www.semafo.com. You will receive the consolidated audited financial statements for the year ended December 31, 2016 and the auditors' report on these statements.

Principal shareholder

As of March 7, 2017, to the best of our knowledge and belief, Van Eck Associates Corporation directly or indirectly held 51,205,592 SEMAFO common shares or approximately 15.76% of our common shares.

Notice and Access

We have elected to use again the *Notice and Access* rules to reduce the volume of paper and the costs of mailing the meeting materials for your meeting. Instead of receiving this circular, you will receive, with the form of proxy or voting instruction form, a Notice of meeting with instructions on how to access the remaining meeting materials online. The circular attached and other relevant materials are available on the Internet at www.semafo.com/English/investor-relations/financials/regulatory-filings/default.aspx and on the Canadian Securities Administrators' website at www.sedar.com. Please review the meeting materials and vote.

You may obtain a paper copy of the meeting materials at no cost. If the control number indicated on your proxy or voting instruction form contains:

- **15 digits**, please call the toll-free number 1-866-962-0498 if you are in North America or (+1) 514 982-8716 if you are outside North America
- **16 digits**, please call the toll-free number 1-877-907-7643 if you are in North America or (+1) 905-507-5450 if you are outside North America.

You will need to enter your control number. Additional information on how the notice and access rules work can also be obtained at either of these numbers. Make sure that you call the appropriate telephone number **depending on the number of digits indicated** on your proxy or voting instruction form.

In order to allow you sufficient time to receive and review the meeting materials and return the form of proxy or voting instructions form in the prescribed time, paper copies of the meeting materials must be requested no later than April 21, 2017.

Voting

If you held common shares at the close of business on March 22, 2017 (known as the *record date*), you are (or the person you appoint as proxyholder is) entitled to vote at the meeting. Each common share gives you the right to one vote. As of March 7, 2017, we had 324,861,200 common shares outstanding entitled to be voted at the meeting.

You can vote by proxy, or you can attend the meeting and vote your shares in person.

Voting by proxy

Voting by proxy means that you are giving someone else (your *proxyholder*) the authority to attend the meeting (or any postponement or adjournment) and vote for you.

Jean Lamarre, the Chair of the Board, or in his absence, John LeBoutillier, the Lead Director of the Board, or in his absence, Benoit Desormeaux, our President and Chief Executive Officer, have agreed to act as proxyholders to vote your shares at the meeting according to your instructions. **Alternatively, you can appoint someone else to represent you and vote your shares at the meeting.**

If you appoint the people named above (*named proxyholders*) but do not tell them how you want to vote your shares, your shares will be voted:

- **FOR** electing the nominee directors named in the proxy form and this circular
- **FOR** appointing PwC as auditors
- **FOR** amending and restating your shareholder rights plan
- **FOR** approving by-law No. 2017-1
- **FOR** the advisory resolution on our approach to executive compensation (Say on Pay).

If there are amendments or other items of business that are properly brought before the meeting, the named proxyholders (or alternatively, your proxyholder) can vote as he or she sees fit.

PROXY VOTING PROCESS

The voting process is different depending on whether you are a registered or non-registered shareholder.

You are a *registered* shareholder if your name appears on your share certificate.

You are a *non-registered* shareholder if your bank, trust company, securities broker, trustee or other financial institution holds your shares (your *nominee*). This means the shares you own are not registered in your name, but instead in your nominee's name.

Registered shareholders

You can vote by mail, telephone, Internet, in person at the meeting or appointing someone else to attend the meeting and vote your shares for you.



By Mail

Complete your proxy form, sign and date it, and send it to Computershare Trust Company of Canada (*Computershare*) in the envelope provided.



By Telephone

Call toll free 1-866-732-vote (8683) from a touch tone phone. Follow the instructions. You will need your control number, which appears on your proxy form. We need to receive your voting instructions before 5:00 pm (EDT) on May 2, 2017.



On the Internet

Go to www.investorvote.com and follow the instructions on screen. You will need your control number, which appears on your proxy form. We need to receive your voting instructions before 5:00 pm (EDT) on May 2, 2017.



In person at the meeting

Do not complete the proxy form. When you arrive at the meeting, please see a representative of Computershare. Your vote will be taken and counted at the meeting.



Appointing someone else to attend the meeting and vote your shares for you

Insert the name of the person you are appointing as your proxyholder where provided. This person does not need to be a shareholder. Make sure your proxyholder attends the meeting. He or she will need to see a representative of Computershare upon arrival.

Non-registered shareholders

If you plan to vote by proxy, follow the instructions on the form. If you plan to vote in person at the meeting, follow the instructions on the form, or contact your nominee to find out how you can attend the meeting and vote in person. If you plan to appoint a proxyholder to attend the meeting for you, your nominee has its own voting instructions. Be sure to follow the instructions on the form.

SIGNING THE PROXY

If you are an administrator, trustee, attorney or guardian for a person who beneficially holds or controls SEMAFO common shares, or an authorized officer or attorney acting on behalf of a corporation, estate or trust that beneficially holds or controls our common shares, please follow the instructions on the proxy form.

SEND US YOUR PROXY FORM RIGHT AWAY

Your vote will be counted if Computershare receives your proxy form before 5:00 pm (EDT) on May 2, 2017 or 5:00 pm (EDT) on the business day preceding any meeting that is postponed or adjourned, and the form has been completed properly.

Changing your vote

If you have voted by proxy, you can revoke your vote in the following ways:

Registered shareholders

Instructions that are provided by a form with a later date, or at a later time in the case of voting by telephone or on the Internet, will revoke any prior instructions if they are received before the meeting (or by 5:00 pm (EDT) on May 2, 2017 if voting by telephone). Otherwise:

- Send a notice in writing to the corporate secretary at:

SEMAFO Inc.
100, Alexis-Nihon Blvd., 7th Floor
St-Laurent (Québec) H4M 2P3
Canada

so it is received by 5:00 pm (EDT) on May 2, 2017. If the meeting is postponed or adjourned, you will need to send the notice by 5:00 pm (EDT) on the business day before the postponed or adjourned meeting is held.

- Give notice in writing to the chair of the meeting at the meeting or the postponed or adjourned meeting.

Non-registered shareholders

Instructions that are provided by a form with a later date, or at a later time in the case of voting by telephone or on the Internet, will revoke any prior instructions provided they are received before the meeting (or by 5:00 pm (EDT) on May 2, 2017 if voting by telephone). Otherwise, contact your nominee if you want to revoke your proxy, change your voting instructions or if you change your mind and decide to vote in person.

The notice can be from you or your attorney if he or she has your written authorization. If the shares are owned by a corporation, the written notice must be from an authorized officer or attorney.

Nominee Directors

Our articles and by-laws provide that the minimum number of directors is three and the maximum number is 15. This year, the Board has passed a resolution to the effect that eight directors are to be elected. All of them currently serve on the Board.

We have assembled a Board that is the right size and has the relevant skills and experience to function efficiently and manage our business and affairs. The average tenure on the Board is 8.5 years and the directors' average age is 63 years old. The Board is of the view that it has struck the right balance in terms of age, experience and replenishment.

Six of the nominee directors are independent, while Mr. Jean Lamarre, who is the Chair of the Board and Mr. Benoit Desormeaux, our President and Chief Executive Officer, are not independent directors. Directors who are elected will serve until the end of your next annual meeting or until a successor is elected or appointed.

None of the nominee directors serve together on the board of a public company other than SEMAFO.

Unless otherwise instructed, the named proxyholders will vote **FOR** the election of each nominee director.

Policy on Majority Voting

The Board believes that each of its members should carry the confidence and support of the majority of shareholders and, consequently, adopted a majority voting policy.

In the event that a nominee director receives more *WITHHELD* than *FOR* votes, then the nominee will be considered not to have received your support, even though duly elected as a matter of corporate law. Such nominee shall forthwith submit to the Board his or her resignation. The Human resources and corporate governance committee will then assess all circumstances relating to this situation and, as the case may be, will recommend to the Board whether to accept the resignation of the nominee. The nominee cannot be present, participate or vote at the Human resources and corporate governance committee and Board meetings (or part of the meetings) where the refusal or acceptance of his or her resignation is discussed.

The Board will have 90 days from the date of the shareholders' meeting to issue a press release announcing the resignation of the nominee or explaining the exceptional circumstances that justify that the resignation has not been accepted. The Board may, at its discretion, fill the vacancy created by the resignation or otherwise act in accordance with applicable laws. This policy does not apply in any case where proxy material is circulated in support of one or more nominees who are not supported by the Board.

Directors' Equity Ownership requirement

In 2015, the Human resources and corporate governance committee updated our ownership requirement for directors. To this end, the Human resources and corporate governance committee requested that management review the share ownership policy for directors of selected gold mining companies comparable to SEMAFO on various fronts, including their important presence in Africa. These companies, part of our "African Gold Index" used in connection with our 2015 short-term incentive program (see page 35), are:

- Amara Mining plc.
- Avocet Mining plc.
- Barrick Gold Corporation
- Centamin plc.
- Endeavour Mining Corporation
- Golden Star Resources Ltd
- Iamgold Corporation
- Kinross Gold Corporation
- Nevsun Resources Ltd
- Nordgold N.V.
- Perseus Mining Limited
- Randgold Resources Limited
- Teranga Gold Corporation

In addition to these companies, and in order to have a better understanding of market practices regarding director equity ownership requirements, management and PCI-Perrault Conseil Inc. (*Perrault Conseil*; see page 31 for more information) also reviewed the proxy material of the following companies:

- Alamos Gold Inc.
- Alacer Gold Corp.
- Argonaut Gold Inc.
- Aurico Gold Inc.
- B2Gold Corp.
- Detour Gold Corporation
- Dundee Precious Metals Inc.
- Franco Nevada Corporation Inc.
- Kirkland Lake Gold Inc.
- Lake Shore Gold Corp.
- Lucara Diamond Corp.
- New Gold Inc.
- Oceana Gold Corporation
- Orvana Minerals Corp.
- Primero Mining Corp.

As a result of this review, the Board, on the recommendation of the Human resources and corporate governance committee, adopted new guidelines regarding equity ownership by directors. Each director is since required, within three years following election or appointment to the Board, to own a certain number of common shares, deferred share units (*Deferred shares*) or restricted share units (*Restricted shares*) equal to three times his or her annual retainer, based on their acquisition value. The basis of the calculation for the directors' equity ownership requirement was deemed appropriate given the important volatility of the gold industry. The Board, on the recommendation of the Human resources and corporate governance committee, concluded that it would not be fair for a director who has reached his or her required ownership requirement to fall below this level because of an important depreciation in the price of gold. On the other hand, the directors' equity ownership requirement would not meet its objective if a director who has bought or been awarded minimal SEMAFO equity would, by reason of an important appreciation in the price of gold, suddenly meet his or her ownership requirement. Accordingly, the Board concluded that, in our volatile context, the acquisition value was the most appropriate method for calculating directors' equity ownership with respect to their ownership requirement. For more information on our Restricted shares and Deferred shares, see pages 36 to 39.

Together, the nominee directors hold 483,922 common shares, 596,478 Deferred shares, 750,168 Restricted shares, 132,537 performance share units (*Performance shares*; see page 38 for more information) and 1,999,598 options. The total value of these ownerships, using the valuation method described above but excluding options, is \$5,940,410.



Terence F. Bowles

Age: 67

Home: Nun's Island, Québec

Director since 2011

Independent

Current committees:

- Audit
- Environmental, health & safety and sustainable development

Areas of expertise:

Mining, Finance, Risk management, Strategic leadership, Corporate governance, Health & Safety, Labour relations, Africa

Current occupation	President and Chief Executive Officer, The St-Lawrence Seaway Management Corporation
Education	Degree in chemical engineering - Université Laval in Québec City MBA - McGill University
Career, background and experience	<p>Terence Bowles is President and Chief Executive Officer of the St. Lawrence Seaway Management Corporation since 2010. Prior to this appointment, he served as President and Chief Executive Officer of the Iron Ore Company of Canada, from 2001 to 2010. Following his graduation from Université Laval in Québec City, Mr. Bowles joined Quebec Iron and Titanium (QIT) where he also served as President as well as on the board of directors of an African subsidiary.</p> <p>Mr. Bowles is on the board of the St. Lawrence Seaway Management Corporation, the Chamber of Marine Commerce and Green Marine.</p> <p>He is a member of the Québec Ordre des Ingénieurs and obtained an Institute of Corporate Directors designation.</p>

Equity Ownership

Common shares #	Options #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
11,000	0	73,303	295,818	120,000	√	152,750

Other matters

Membership	Attendance 2016	Voting results 2016
Board	8/8	99.80%
Audit	4/4	
Environmental, health & safety and sustainable development	5/5	
Total	100%	



Benoit Desormeaux

Age: 47

Home: Candiac, Québec

Director since 2012


Not independent

Areas of expertise:

Mining, Accounting, Risk management, Finance, Africa, Strategic leadership

Current occupation	President and Chief Executive Officer, SEMAFO Inc.						
Education	Bachelor's degree in business administration (BBA) - HEC Montréal.						
Career, background and experience	<p>Benoit Desormeaux became President and Chief Executive Officer on August 8, 2012. Mr. Desormeaux had been our Executive Vice-President and Chief Operating Officer since 2004, and previously held the positions, successively, of Corporate Controller as well as Chief Financial Officer.</p> <p>Prior to joining SEMAFO in 1997, he was with Deloitte LLP, involved principally in corporate audits in the manufacturing sector. Mr. Desormeaux is a Chartered Professional Accountant and a member of Ordre des Comptables Professionnels Agréés du Québec.</p> <p>He sits on the board of directors of Groupe Technosub inc. and is Chair of the board of directors of SEMAFO Foundation.</p>						
Equity Ownership							
Common shares #	Options #	Restricted shares #	Performance shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
212,400	1,200,000	750,168	132,537	3,366,166	1,362,000 ¹	√	1,842,218
Other matters							
Membership				Attendance 2016		Voting results 2016	
Board				8/8		99.96%	
Total				100%			

¹ As President and Chief Executive Officer, Mr. Desormeaux's equity ownership requirement is different from that of the other directors. See *Chief Executive Officer Ownership Policy* on page 47 for more information.

	<p>Flore Konan</p> <p>Age: 54</p> <p>Home: Abidjan, Côte d'Ivoire</p> <p>Director since 2015</p> <p>Independent</p> <p>Current committees:</p> <ul style="list-style-type: none">Audit <p>Areas of expertise:</p> <p>Accounting, Finance, Africa, Risk management, Public policy, Strategic leadership</p>					
Current occupation	Director, Internal Controls, Eranove S.A.					
Education	B.A. Finance Accounting - ESCA (École supérieure de commerce d'Abidjan) Top management formation – CRC HEC France Accounting upper cycle – CIFIP Côte d'Ivoire					
Career, background and experience	Since October 2011, Mrs. Konan is Director of Internal Controls, Eranove, a holding company involved in the production, transportation and distribution of water and electricity in Africa that has over 8,000 employees. Between 1994 and 2011, Mrs. Konan held positions of increasing responsibility at CIE, a subsidiary of Eranove, before becoming general manager in 2008. Prior to this, Mrs. Konan was in the employ of SODECI, another subsidiary of Eranove. Mrs. Konan is also the Chair of the Board of ECOBANK Côte-d'Ivoire, a subsidiary of ECOBANK Transnational Incorporated, present in 32 African countries.					
Equity Ownership						
Common shares #	Options ² #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
0	0	59,424	210,849	120,000	√	140,000
Other matters						
Membership			Attendance 2016		Voting results 2016	
Board			8/8		96.87%	
Audit			4/4			
Total			100%			

² Mrs. Konan joined the Board and the Audit committee on May 14, 2015. Effective January 1, 2015, directors no longer receive options.



Jean Lamarre³

Age: 63

Home: Outremont, Québec

Director since 1997

Not independent

Areas of expertise:

Finance, Africa, Accounting, Public policy, Risk management

Current occupation	President, 2856166 Canada Inc. doing business under the name Lamarre Consultants					
Education	BBA in applied economics - HEC Montréal.					
Career, background and experience	<p>Jean Lamarre is currently Chair of the Board and served as Executive Chair of the Board from June 2008 to December 31, 2014. Mr. Lamarre sits on the board of directors of several public and privately held companies such as Technologies D-BOX Inc., TSO3 Inc., Arianne Phosphate Inc., Télé-Québec, Le Devoir, Klox Technologies Inc., Mispro Biotech Services Inc. and SEMAFO Foundation. He is also a member of the independent review committee of Investors Group Investment Management Ltd.</p> <p>From 1977 through 1992, Mr. Lamarre held various positions of significant responsibility with Groupe Lavalin Inc., including Vice President, Finance. From 1992 to 1995, he was Vice President, Special and International Projects for Groupe Canam Manac. In 1995, he became President of Lamarre Consultants, a company representing national and international companies in their efforts to establish or expand their business in Québec. Mr. Lamarre has been present on the African continent for close to 45 years.</p>					
Equity Ownership						
Common shares #	Options #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
145,000 ⁴	350,000	180,309	819,930	120,000	√	360,000
Other matters						
Membership				Attendance 2016		Voting results 2016
Board				8/8		99.23%
Total				100%		

³ Mr. Lamarre was a director of Medical Intelligence Technologies Inc. which filed for and obtained protection under the *Companies' Creditors Arrangement Act* (Canada) (CCAA) and subsequently made an assignment of its property on February 9, 2010. He was also a director of 6941249 Canada Inc. (known as Mechtronix), which filed a notice of intent to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) on May 15, 2012 and then filed an assignment for the benefit of its creditors on August 3, 2012. Mr. Lamarre was also a director of Mango Industrie de Cuivre Inc., which filed for protection under the CCAA in 2012 and remains subject thereto.

⁴ Including 10,000 indirectly held.



John LeBoutillier, C.M.⁵

Age: 72

Home: Montréal, Québec

Director since 2006

Independent (Lead director)

Current committees:

- Human resources and corporate governance (Chair)

Areas of expertise:

Corporate governance, Compensation, Mining, Finance, Risk management, Strategic leadership

Current occupation	Chairman, Industrial Alliance, Insurance and Financial Services Inc.
Education	Law degree - Université Laval in Québec City MBA - University of Western Ontario (now Richard Ivey School of Business)
Career, background and experience	Lead Director of SEMAFO's Board of Directors, John LeBoutillier will not stand for reelection as a director of Industrial Alliance, Insurance and Financial Services Inc. at its 2017 shareholders' meeting. He is a director of Stornoway Diamond Corporation and of two affiliated companies, Mazarin Inc. and Asbestos Corporation Limited. Between 1996 and 2000, Mr. LeBoutillier was President and Chief Executive Officer of Iron Ore Company of Canada, as well as President and Chief Executive Officer of Sidbec-Dosco Inc. (now ArcelorMittal Long Products Canada G.P.) from 1983 to 1996. Mr. LeBoutillier is a recipient of the Order of Canada.


Equity Ownership

Common shares #	Options #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
30,000	217,201	69,689	314,700	120,000	√	162,500

Other matters

Membership	Attendance 2016	Voting results 2016
Board	8/8	86.73%
Human resources and corporate governance	4/4	
Total	100%	

⁵ Mr. John LeBoutillier was, but is no longer, a director of Shermag Inc., which filed for and obtained creditor protection under the CCAA in April 2008. In August 2009, Shermag presented a plan of arrangement to its creditors and obtained the homologation from the Superior Court (district of Montreal) on September 15, 2009. Shermag closed a transaction with Groupe Bermex Inc. and implemented a plan of arrangement in October 2009 allowing it to emerge from the CCAA proceedings. The transaction enabled Groupe Bermex Inc. to take control over Shermag and to pursue its restructuring and relaunching.

	<p>Gilles Masson⁶</p> <p>Age: 70</p> <p>Home: Laval, Québec</p> <p>Director since 2006</p> <p>Independent</p> <p>Current committees:</p> <ul style="list-style-type: none">• Audit (Chair)• Environmental, health & safety and sustainable development <p>Areas of expertise:</p> <p>Accounting, Finance, Mining, Compensation</p>					
Current occupation	Corporate director					
Education	Bachelor of commerce degree - HEC Montréal Diploma in general accounting - HEC Montréal					
Career, background and experience	Gilles Masson was appointed Chair of SEMAFO's Audit Committee in 2007. He is a member of the board of directors of RNC Minerals. He spent 36 years with the firm PricewaterhouseCoopers LLP, Chartered Professional Accountants, including 25 years as partner. His clientele included large national and international companies, some of which operated in the mining sector. A chartered professional accountant, Mr. Masson is a member of the Institute of Corporate Directors.					
Equity Ownership						
Common shares #	Options #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
70,000	152,201	69,689	368,500	120,000	√	156,500
Other matters						
Membership				Attendance 2016	Voting results 2016	
Board				8/8	99.41%	
Audit				4/4		
Environmental, health & safety and sustainable development				4/5 ⁷		
Total				94%		

⁶ Mr. Gilles Masson was, but is no longer, a director of Malaga Inc. (*Malaga*). In June 2013, Malaga filed a notice of intention to make a proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada). Pursuant to the notice of intention, Raymond Chabot Inc. was appointed trustee in Malaga's proposal proceedings and in that capacity monitored and assisted Malaga in its restructuring efforts. These proceedings had the effect of imposing an automatic stay of proceedings that protected Malaga and its assets from the claims of creditors and others while Malaga pursued its restructuring efforts. Malaga submitted a proposal dated October 4, 2013 to its creditors; the proposal was accepted by the creditors pursuant to a vote held on December 13, 2013 and approved by judgment of the Superior Court rendered on January 7, 2014.

⁷ Mr. Masson could not attend a meeting of the Environmental, health & safety and sustainable development committee held in Burkina Faso.



Lawrence McBrearty⁸

Age: 73

Home: Brampton, Ontario

Director since 2009

Independent

Current committees:

- Environmental, health & safety and sustainable development (Chair)
- Human resources and corporate governance

Areas of expertise:

Labour relations, Mining, Health & Safety, Corporate Social Responsibility

Current occupation	Labor relations consultant
Education	Social sciences degree - Université du Québec à Montréal (UQAM) PhD Honoris Causa - Université du Québec (2003)
Career, background and experience	Lawrence McBrearty has been a labour relations consultant since his retirement in 2004. Mr. McBrearty's business experience includes a more than 40-year career with the United Steelworkers of America, the largest industrial labour union in North America. He began his tenure in 1974 as staff representative, subsequently holding positions of increasing responsibility that culminated in his election as National Director for Canada in 1994.

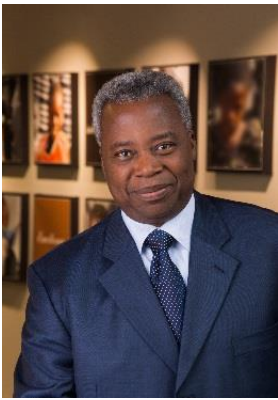
Equity Ownership

Common shares #	Options #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
15,522	0	69,689	304,902	120,000	√	158,750

Other matters

Membership	Attendance 2016	Voting results 2016
Board	8/8	99.94%
Environmental, health & safety and sustainable development	5/5	
Human resources and corporate governance	4/4	
Total	100%	

⁸ Mr. McBrearty was a director of Mango Industrie de Cuivre Inc., which filed for protection under the CCAA in 2012 and remains subject thereto.

	Tertius Zongo Age: 59 Home: Ouagadougou, Burkina Faso Director since 2012 Independent Current committees: <ul style="list-style-type: none">Human resources and corporate governanceEnvironmental, health & safety and sustainable development Areas of expertise: Africa, Public Policy, Risk management, Finance, Accounting, Strategic leadership					
Current occupation	Economist, Independent consultant					
Education	B.A. and master's degree in economics – business management – University of Dakar, Sénégal. Degree of higher studies in business management - Institute of Business Management of Nantes, France.					
Career, background and experience	Tertius Zongo served as Prime Minister and Head of Government of Burkina Faso from 2007 until 2011 and was Ambassador Extraordinary and Plenipotentiary of Burkina Faso to the United States of America from 2002 until 2007. Previously, Mr. Zongo held positions of increasing importance within the government of Burkina Faso including as Minister of State for Planning and Budget and Minister of Economy and Finance. Prior to his career with the government of Burkina Faso, Mr. Zongo was an academic at the University of Ouagadougou and the National School of Financial Controls where he taught accounting, business economics and financial management. He sits on the board of Banque centrale des États de l'Afrique de l'Ouest (BCEAO) and of Banque ouest-africaine de développement (BOAD).					
Equity Ownership						
Common shares #	Options #	Deferred shares #	Aggregate value \$	Ownership requirement \$	Meets requirement	Total compensation \$
0	80,196	74,375	259,545	120,000	√	152,750
Other matters						
Membership			Attendance 2016		Voting results 2016	
Board			8/8		97.04%	
Human resources and corporate governance			4/4			
Environmental, health & safety and sustainable development			5/5			
Total			100%			

The table below gives you a better view of the broad mix of experience, skills and expertise that the Board has which allows it to deal with our complex environment and make informed decisions.

Experience, skills & expertise	Terence F. Bowles	Benoit Desormeaux	Flore Konan	Jean Lamarre	John LeBoutillier	Gilles Masson	Lawrence McBrearty	Tertius Zongo
Accounting		✓	✓	✓		✓		✓
Africa	✓	✓	✓	✓				✓
Compensation					✓	✓		
Corporate governance	✓				✓			
Finance	✓	✓	✓	✓	✓	✓		✓
Health & Safety	✓						✓	
Corporate Social Responsibility							✓	
Labour relations	✓						✓	
Mining	✓	✓			✓	✓	✓	
Public policy			✓	✓				✓
Risk management	✓	✓	✓	✓	✓			✓
Strategic leadership	✓	✓	✓		✓			✓

Continuing Education

The Board believes that continuing education allows directors to have a better understanding of our operations and be more efficient. Accordingly, the Board has entrusted the Human resources and corporate governance committee with providing Board members with continuing education opportunities. In order to keep Board members current with our operations, information sessions and briefings are provided at Board and committee meetings on a regular basis and, occasionally, at special meetings. These sessions and briefings relate to our business strategies, evolving business operations, exploration programs, changes in regulatory environment and subjects of relevance to the Board or the particular committee involved.

The table below describes the various educational sessions held in 2016:

Topic	Presented by	Attended by
Compensation trends of Mining Companies in Canada	Vice-president, Human resources	Human resources and corporate governance committee
Environmental permitting process in Burkina Faso	Vice-president, Mining Operations	Environmental, health & safety and sustainable development committee
Director duties and responsibilities	Vice-president, Law, Chief Compliance Officer and Corporate Secretary	Board

In addition, frequent exploration and geology presentations with respect to our Mana, Natougou and Côte d'Ivoire properties were made during the year at Board meetings by our Vice-president, Exploration and mine geology. Furthermore, directors periodically go to Burkina Faso, including at our Mana site, in order to have on-site knowledge of our operations and various sustainable development initiatives.

Auditors

PwC has acted as auditors since our beginning. Unless otherwise instructed, the named proxyholders will vote **FOR** reappointing PwC and will authorize the Board to determine their compensation.

PwC provides us four types of services:

- *audit services* – these services relate to the audit of our audited annual financial statements and other regulatory audit services
- *audit-related services* – these services relate to professional services regarding interim financial statements, due diligence services related to mergers and acquisitions as well as internal control reviews
- *tax compliance and preparation services* – these services mainly relate to tax compliance and preparation of income tax returns
- *other services* – these services relate to accounting and financial reporting services pertaining to public offering by prospectus, assurance and advisory services for International Financial Reporting Standards (known as *IFRS*) obligations and conversions and tax services other than tax compliance and preparation services.

You will find in the table below the total fees we paid to PwC for all their services in 2016 and 2015 as well as the percentage paid for each type of service compared to total fees:

	Year Ended December 31	
	2016 \$	2015 \$
Audit Fees	404,410 (73.0%)	358,762 (62.6%)
Audit-Related Fees	42,500 (7.7%)	39,375 (6.9%)
Tax Compliance and Preparation Fees	4,354 (0.8%)	19,764 (3.5%)
All Other Fees	102,322 (18.5%)	154,929 (27.0%)
TOTAL FEES	553,586 (100%)	572,830 (100%)

Amended and Restated Shareholder Rights Plan

You are asked to approve the amendment and restatement of your Rights Plan (as defined below). On March 15, 2011, the Board adopted the Rights Plan and entered into a shareholder rights plan agreement, dated March 15, 2011, with Computershare, as rights agent, (*Rights Plan*) giving effect to the Rights Plan. You ratified your Rights Plan at your 2011 annual meeting and you approved its extension at your 2014 annual meeting.

The Board, on the recommendation of the Human resources and corporate governance committee, has determined that it is in your best interests to continue the Rights Plan through to the termination of your meeting in 2020, and has approved the amended and restated Rights Plan. Unless you approve the amendment and restatement of your Rights Plan at the meeting, the Rights Plan will terminate at the close of business on the date of your coming 2017 meeting.

The amended and restated Rights Plan contains substantially the same terms and conditions as the current version of the Rights Plan aside from changes made to take into account amendments to the regime governing take-over bids adopted by the *Canadian Securities Administrators* pursuant to National Instrument 62-104 – Take-Over Bids and Issuer Bids (*NI 62-104*) that came into effect in May 2016.

Under the amended and restated Rights Plan, a permitted bid will now be a take-over bid by means of a take-over bid circular pursuant to and in compliance with NI 62-104 and that is made to all shareholders on the books of SEMAFO. As a result, a permitted bid must remain open for a longer period (up to 105 days (increased from 60 days)) after the offer date of the bid and then for another ten days following the public announcement that more than 50% of the outstanding shares held by independent shareholders have been deposited or tendered and not withdrawn for purchase by the bidder.

In addition, a permitted bid excludes a creeping or exempt bid whereby a person could slowly accumulate shares through stock exchange acquisitions, or acquire blocks of shares through private agreements, which may result, over time, in an acquisition of control or effective control without paying you a control premium or without sharing any control premium among all shareholders fairly.

Copies of the current Rights Plan and the amended and restated Rights Plan are available on SEDAR at www.sedar.com or free of charge upon request to our corporate secretary at:

SEMAFO Inc.
100 Boulevard Alexis-Nihon, 7th floor
Saint-Laurent, Québec H4M 2P3

Purpose of the Rights Plan

The Board adopted the Rights Plan to provide shareholders and the Board with adequate time to consider and evaluate any unsolicited bid and to provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid.

The Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a “Permitted Bid” (described below), which generally requires a take-over bid to be made by way of a take-over bid circular in compliance with NI 62-104, or with the concurrence of shareholders and the Board. If a take-over bid fails to meet these requirements, the Rights Plan provides that holders of our common shares,

other than the Acquiring Person (as defined below), will be able to purchase additional common shares at a significant discount to market, thus exposing the Acquiring Person to substantial dilution of its holdings.

The Rights Plan is initially not dilutive. However, if a “Flip-in Event” (described below) occurs, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

The Rights Plan was initially accepted by the Toronto Stock Exchange (TSX) on March 10, 2011, with an extension of the Rights Plan accepted by the TSX on March 7, 2014. The proposed amendment and restatement of the Rights Plan has been conditionally accepted by the TSX on March 13, 2017.

The Board did not adopt the Rights Plan, and is not seeking the amendment and restatement of the Rights Plan, in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid.

Summary of the Amended and Restated Rights Plan

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

EFFECTIVE DATE

The effective date of the amended and restated Rights Plan remains March 15, 2011.

TERM

If you do not approve the amended and restated Rights Plan at your meeting, it will terminate at the close of business on the date of your meeting. If you approve the amendment and restatement of the Rights Plan, it will terminate at the close of business on the date of your 2020 annual meeting.

ISSUE OF RIGHTS AND TRANSFERABILITY

Certificates representing our common shares that were issued and outstanding at 5:00 p.m. (Eastern Standard Time) on March 15, 2011 (*Record Time*) also evidence one Right for each of our common shares represented by such certificates. In addition, certificates representing our common shares issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the expiration of the Rights Plan will also evidence one Right for each of our common shares represented by such certificates.

Common share certificates do not need to be exchanged to entitle a shareholder to these Rights. A legend referring to the Rights Plan has been and will be placed on all new share certificates for our common shares following the Record Time and prior to the earlier of the Separation Time and the expiration of the amended and restated Rights Plan.

Until the Separation Time, the Rights will be transferable only together with, and will be transferred by a transfer of, the associated common share. From and after the Separation Time and prior to the expiration of the amended and restated Rights Plan, the Rights will be evidenced by Rights certificates separate from and independent of the certificates representing our common shares and will be transferable and traded separately from our common shares.

RIGHTS EXERCISE PRIVILEGE

The Rights will become exercisable and will be separate and independent from our common shares at the close of the business on the 10th trading day after the earlier of:

- (i) the first date of public announcement by SEMAFO or an Acquiring Person (as defined below) of facts indicating that a person has become an Acquiring Person (*Stock Acquisition Date*),
- (ii) the date of the commencement of or first public announcement of the intent of any person to commence a take-over bid (other than a Permitted Bid (as defined below)), and
- (iii) the date upon which a Permitted Bid ceases to be such (*Separation Time*).

Until a Right is exercised, the holder of the Right has no rights as a shareholder.

ACQUIRING PERSON

An *Acquiring Person* is a person who beneficially owns 20% or more of our common shares. An Acquiring Person does not, however, include SEMAFO or any of our subsidiaries, or any person who becomes the beneficial owner of 20% or more of our outstanding common shares as a result of a Permitted Bid or certain other exempt transactions described in the amended and restated Rights Plan.

FLIP-IN EVENT

Upon the occurrence of a transaction in or pursuant to which any person becomes an Acquiring Person (*Flip-in Event*), each Right shall constitute the right to purchase from SEMAFO, upon exercise thereof in accordance with the terms of the amended and restated Rights Plan, that number of our common shares having an aggregate Market Price (as defined below) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined below) for an amount in cash equal to the Exercise Price, subject to adjustment as provided in the Rights Plan. The “Market Price” will be the average of the daily closing prices per share of our common shares on each of the 20 consecutive trading days preceding such date. The “Exercise Price” shall be an amount equal to four times the Market Price per share determined as at the Separation Time, subject to adjustment in accordance with the terms of the Rights Plan.

The Rights Plan provides that, upon the occurrence of a Flip-in Event, any Rights that are or were beneficially owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:

- (i) an Acquiring Person (or any affiliate or associate of an Acquiring Person or any other person acting jointly or in concert with an Acquiring Person or any affiliate or associate of such other person), or
- (ii) a transferee or other successor in title of Rights, directly or indirectly, from an Acquiring Person (or any affiliate or associate of an Acquiring Person or any other person acting jointly or in concert with an Acquiring Person or any affiliate or associate of such other person), where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming an Acquiring Person; shall become null and void without any further action and any holder of such Rights (including transferees or other successors in title) shall not have any other rights whatsoever with respect to such Rights under any provision of the Rights Plan.

PERMITTED BIDS

A *Permitted Bid* is a take-over bid that is made by means of a take-over bid circular in compliance with NI 62-104 and is made to all holders of voting shares of record, provided, however, that a take-over bid that

qualified as a Permitted Bid shall cease to be a Permitted Bid at any time and as soon as such time as when such take-over bid ceases to meet any or all of the provisions of the definition.

A Permitted Bid need not be approved by the Board and may be taken directly to you. The acquisition of our common shares made pursuant to a Permitted Bid does not give rise to a Flip-in-Event.

REDEMPTION AND WAIVER

Until the occurrence of a Flip-in Event, the Board, subject to receipt of shareholder approval, may at any time elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right (*Redemption Price*), subject to adjustment as provided in the amended and restated Rights Plan. The Board will be deemed to have elected to redeem all of the outstanding Rights at the Redemption Price where a person acquires our common shares pursuant to a Permitted Bid. Where a take-over bid that is not a Permitted Bid expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all of the outstanding Rights at the Redemption Price. If the Board elects or is deemed to have elected to redeem the Rights, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.

Under the amended and restated Rights Plan, the Board may, subject to shareholder approval, at any time prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of our common shares (other than through inadvertence), waive application of the amended and restated Rights Plan. In the event that the Board proposes such a waiver, the Board shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such waiver.

The Board may also waive the application of the amended and restated Rights Plan to a Flip-in Event, which the Board has determined occurred through inadvertence, subject to the inadvertent Acquiring Person reducing its holding of our common shares within 14 days after that the Board's determination or such earlier or later date as the Board may determine.

AMENDMENT

We may make any amendment to the amended and restated Rights Plan to correct any clerical or typographical errors or any other amendments which are required to maintain the validity of the amended and restated Rights Plan as a result of a change in any applicable legislation or regulations or rules.

Subject to the foregoing, and prior to the Separation Time, we may supplement, amend, vary, rescind or delete any of the provisions of the amended and restated Rights Plan and the Rights with shareholder approval.

Subject to the foregoing, and after the Separation Time, we may supplement, amend, vary, rescind or delete any of the provisions of the amended and restated Rights Plan and the Rights with approval of the holders of Rights.

SHAREHOLDER APPROVAL

The resolution to amend and restate the Rights Plan, substantially in the form set forth in Appendix D, requires the approval of a majority of the votes cast at your meeting. Unless otherwise instructed, the named proxyholders will vote **FOR** the resolution amending and restating the Rights Plan.

By-law No. 2017-1

Advance Notice of Nominations of Directors

You are asked to approve By-law No. 2017-1 (*Advance Notice By-Law*) amending our By-law No. 2012-1 relating to advance notice requirements for director elections. On March 7, 2017, the Board adopted the Advance Notice By-Law to provide you, as well as the directors and management of your company, with a clear framework for nominating directors of SEMAFO in connection with any annual or special meeting of shareholders. You will find the full text of the Advance Notice By-Law in Appendix F, and it must be approved by you in order to become effective.

The purpose of the Advance Notice By-Law is to:

- ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote, and
- facilitate an orderly and efficient process at your meetings.

The Advance Notice By-Law fixes the deadlines by which shareholders must submit director nominations to SEMAFO prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a timely written notice to SEMAFO for any director nominee to be eligible for election at such meeting of shareholders.

Shareholders seeking to nominate candidates for election as directors (other than pursuant to a proposal or requisition of shareholders made in accordance with the provisions of the *Business Corporations Act* (Québec)) must provide timely notice in writing to SEMAFO's Corporate Secretary. To be timely, a shareholder's notice must be received by SEMAFO:

- in the case of an annual general meeting, no later than the close of business on the 30th day before the meeting date provided, however, that in the event the first public announcement of the date of such meeting is less than 50 days prior to the meeting date, notice may be made not later than the close of business on the 10th day following the day on which public announcement of the date of such annual general meeting was first made by SEMAFO, and
- in the case of a special meeting called for the purpose of electing directors, no later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting is first made by SEMAFO.

The Advance Notice By-Law prescribes the proper written form for a shareholder's notice as well as additional requirements in connection with nominations. Shareholders who fail to comply with the advance notice requirements will not be entitled to make nominations for directors at a meeting of shareholders. The Board may, in its sole discretion, waive any requirement of By-law No. 2017-1.

SHAREHOLDER APPROVAL

You will find the resolution to approve the adoption by the Board of the Advance Notice By-Law in Appendix E. This resolution requires the approval of a majority of the votes cast at your meeting. Unless otherwise instructed, the named proxyholders will vote **FOR** the resolution approving By-law No. 2017-1.

Say on Pay

You have the opportunity to vote on our approach to executive compensation. Your vote is advisory and non-binding and will provide important feedback to the Human resources and corporate governance committee and the Board.

Executive compensation starting on page 30 tells you about our executive compensation philosophy and how we implement it.

The Board believes it is important to give shareholders an effective way to provide input on our approach to executive compensation. Hence, you have the opportunity to vote *for* or *against* our approach to executive compensation through the following resolution:

Resolved, on an advisory basis and not to diminish the role and responsibilities of the board of directors, that the shareholders accept the approach to executive compensation disclosed in SEMAFO's management proxy circular delivered in advance of the 2017 annual meeting of shareholders.

We recommend that shareholders vote **FOR** the advisory resolution on our approach to executive compensation.

You can also write directly to the Chair of the Human resources and corporate governance committee with your views on our executive compensation.

Because your vote is advisory, it will not be binding upon the Board. However, the Human resources and corporate governance committee and the Board will take the outcome of the vote into account when considering future executive compensation.

Last year, 97.86% of the votes cast at your meeting voted for our approach to executive compensation. In 2015, 98.33% of the votes cast at your meeting supported our approach to executive compensation. Unless otherwise instructed, the named proxyholders will vote **FOR** the advisory resolution.

Corporate Governance

We believe that good corporate governance practices are at the core of sustainable mining and responsible business behavior towards all our stakeholders.

This section includes a report of each committee of the Board. You will find a complete discussion of our corporate governance practices in Appendix A.

Report of the Audit committee

The Audit committee primarily supports the Board in its oversight of risk management, auditing and accounting issues. The Audit committee is composed of three independent directors, each of whom is “financially literate” as such expression is defined under *Canadian Securities Administrators’* rules. You will find the mandate of the Audit committee on our website at www.semafo.com.

In 2016, the Audit committee:

FINANCIAL REPORTING AND INTERNAL CONTROLS

- Recommended to the Board for approval all consolidated financial statements, related management’s discussion and analysis and press releases as well as the annual information form
- Monitored compliance with National instrument 52-109.

GOVERNANCE AND RISK

- Received presentations regarding the major risks facing our operations
- Recommended to the Board for approval amendments to the Anti-Corruption Policy, Contract Approval Policy and Treasury Policy
- Conducted its first documented assessment of the performance of the independent auditor and implemented a periodic assessment process going forward
- Recommended to the Board the reappointment of PwC as auditors as well as their compensation
- Met in private with the independent auditors
- Reviewed the adequacy of the Whistle Blowing Policy, the Policy on Approval of Audit and Non-Audit Services by the External Auditors and the Audit committee mandate.

STRATEGIC

- Supported the management team in its review of IT use in SEMAFO
- Met without management present at each meeting.

2016 was another robust year for the Audit committee.

Gilles Masson (Chair)

Terence F. Bowles (Member)

Flore Konan (Member)

Report of the Environmental, health & safety and sustainable development committee

The Environmental, health & safety and sustainable development committee primarily supports the Board in its oversight of environmental, health and safety and sustainable development issues. The committee is composed of four independent directors. You will find the mandate of this committee on our website.

In 2016, the committee:

GOVERNANCE AND RISK

- Oversaw the environmental and health and safety risks facing our operations
- Received presentations on environmental, health and safety and sustainable development issues.

ENVIRONMENT AND HEALTH & SAFETY

- Monitored our health and safety record and followed-up on reported incidents
- Monitored health issues facing our employees in Africa
- Monitored health issues facing the inhabitants of the communities surrounding our mine
- Reviewed the adequacy of our Environmental Policy, Health and Safety Policy and Social Responsibility Policy.

SUSTAINABLE DEVELOPMENT

- Approved our sustainable development report.

STRATEGIC

- Met at Mana, to have on-site knowledge of the issues the committee oversees
- Monitored the development of our sustainable development initiatives at Natougou to allow for a seamless construction and start-up of this new mining operation
- Reviewed the adequacy of the Environmental, health & safety and sustainable development committee mandate
- Met without management present at each meeting.

In 2016, for the second year in a row, SEMAFO won the *Le grand prix de Meilleure Entreprise RSE 2016* (Best CSR Company), the *Responsabilité Sociétale de l'Entreprise Féminine* (Female entrepreneurship) and the *Prix spécial Communautés et Développement Local* (Communities and local development) awards. We also won for the first time the *Prix Environnement* (Environmental Price) award in Burkina Faso. These awards are a testimony of the Board's commitment to establish SEMAFO as a responsible mining company.

Lawrence McBrearty (Chair)

Terence F. Bowles (Member)

Gilles Masson (Member)

Tertius Zongo (Member)

Report of the Human resources and corporate governance committee

The Human resources and corporate governance committee primarily supports the Board in its oversight of named executive officers' compensation, corporate governance and disclosure issues. The committee is composed of three independent directors. You will find the mandate of the Human resources and corporate governance committee in Appendix C.

In 2016, the committee:

BOARD COMPOSITION

- Evaluated the composition, size, tenure and expertise of the Board
- Recommended the nominee directors who stand for election.

COMPENSATION

- Reviewed the compensation package of each named executive officer and recommended same to the Board for approval
- Oversaw the implementation of a retirement program for our head office employees
- Approved the vesting conditions applicable to for the first grant of our Performance shares
- Approved the objectives for the 2016 short-term incentive program.

GOVERNANCE

- Recommended to the Board for approval amendments to the Code of Conduct and Disclosure Policy
- Oversaw the report on compensation that you will find beginning on page 30
- Recommended to the Board for approval this proxy circular
- Reviewed the adequacy of the Securities Trading Policy
- Reviewed the adequacy of each of the Chair of the Board, the President and Chief Executive Officer and the Lead Director mandate
- Reviewed the adequacy of the Human resources and corporate governance committee mandate.

STRATEGIC

- Met without management present at each meeting.

The committee periodically reviews our governance practices to ensure that SEMAFO has sound and up to date policies and procedures. The committee is proud that we have reached a certain maturity in this regard but is well aware that improvements will have to be implemented every year.

John LeBoutillier (Chair)

Lawrence McBrearty (Member)

Tertius Zongo (Member)

Executive Compensation

Our Executive Compensation⁹ disclosure is organized in eight different sections:

Discussion and Analysis	page 30
Base salary	page 32
Short-term incentive	page 32
Long-term incentive	page 36
○ <i>The Restricted plan</i>	page 38
○ <i>The Deferred plan</i>	page 38
○ <i>Option plans</i>	page 39
Summary Compensation Table	page 44
Incentive Plan Awards	page 45
Compensation Risks	page 46
○ <i>Chief Executive Officer Ownership Policy</i>	page 47
○ <i>Termination and Change of Control Benefits</i>	page 47
Compensation vs. performance	page 48
○ <i>Performance Graph</i>	page 48
○ <i>Aggregate Compensation vs. Corporate Performance</i>	page 49

Discussion and Analysis

Our executive management compensation philosophy, which applies to the named executive officers mentioned in this document, is designed to attract, retain and motivate our people to contribute to optimal organizational performance and corporate growth. Its objective is to reward performance while ensuring that the overall compensation is:

- competitive with the gold mining industry
- does not expose us to inappropriate or excessive risks.

To reach its objective, our executive management compensation philosophy includes three components:

1. base salary
2. short-term incentive (annual bonus)
3. long-term incentive.

We do not pay any other kind of compensation (such as parking, car allowance, tax services, etc.).

Effective January 1 of this year, we implemented a voluntary retirement program for our head office employees, including named executive officers. This program provides for contributions by SEMAFO up to

⁹ We report our financial results in US dollars but all named executive officers (and directors) are paid in Canadian dollars. Accordingly, in this circular, unless otherwise indicated, all amounts are in Canadian dollars. All amounts and numbers are rounded.

an established maximum to a group-sponsored retirement vehicle to the extent that employees choose to also contribute to this retirement vehicle. Details will be discussed in next year's circular.

The Human resources and corporate governance committee, composed of Messrs. John LeBoutillier (Chair), Lawrence McBrearty and Tertius Zongo, all independent directors, is responsible for developing and implementing this philosophy and recommends annually to the Board for approval the appropriate compensation for each named executive officer. You will find its mandate in Appendix C. Mr. LeBoutillier, the Board's Lead director, was President and Chief Executive Officer of two sizeable companies from 1983 to 2000 and is Chairman of the Board of Industrial Alliance, Insurance and Financial Services Inc. since May 2005¹⁰. Mr. LeBoutillier has also served as director of several public companies over a number of years. As a result, Mr. LeBoutillier has relevant experience in determining executive and director compensation.

We aim to position our named executive officers' overall compensation at the market median. The experience, seniority and responsibilities of the named executive officers are also taken into account and, with respect to named executive officers other than himself, the recommendations of the President and Chief Executive Officer. The Board makes the final determination of the overall compensation of the named executive officers on the recommendation of the Human resources and corporate governance committee. Mr. Desormeaux is not present when his compensation is discussed and approved by the independent directors.

Since 2009, the Human resources and corporate governance committee has worked intermittently with Perrault Conseil, an independent compensation consultant, to analyze the compensation of named executive officers and directors. At the end of 2014, the Human resources and corporate governance committee requested that Perrault Conseil review the compensation of the named executive officers of the following publicly-traded gold mining companies for the purposes of adjusting 2015 executive management's compensation, should the results of such review so warrant:

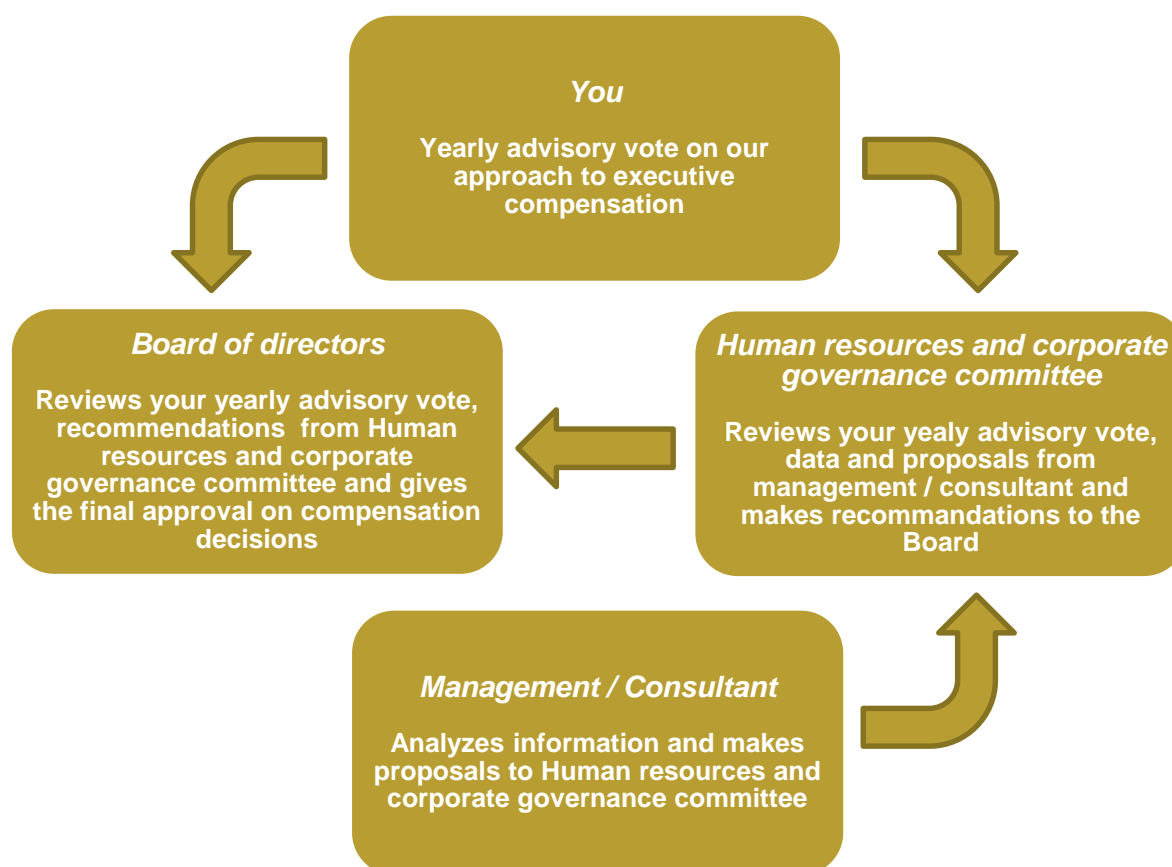
- Alamos Gold Inc.
- Alacer Gold Corp.
- Argonaut Gold Inc.
- Aurico Gold Inc.
- Dundee Precious Metals Inc.
- Oceana Gold Corporation
- Orvana Minerals Corp.
- Primero Mining Corp.
- Teranga Gold Corporation

These companies were selected as their turnover is similar to ours. Although our "African Gold Index" (see page 35 for more information) is thought more relevant for comparing our stock performance given the important African presence of all gold mining companies that compose it, the Human resources and corporate governance committee and the Board are of the view that, for the purposes of comparing compensation, turnover is a better benchmark. Based on this review, the Human resources and corporate governance committee recommended to the Board the compensation of each named executive officer for 2016.

The Human resources and corporate governance committee's practice is to compare the compensation of SEMAFO's named executive officers and independent directors to our peers every other year. Accordingly, no compensation review was conducted for purposes of 2016 adjustments but this review was made for the purposes of 2017 adjustments and will be discussed in next year's circular.

¹⁰ Mr. LeBoutillier will not stand for reelection as a director of Industrial Alliance, Insurance and Financial Services Inc. at its 2017 shareholders' meeting.

The decision process to establish named executive officers' compensation can be illustrated as follows:



We look at compensation globally. For instance, we are aware that our base salaries for named executive officers are lower than the market median but we compensate for this difference with our long-term incentive program. Overall, our compensation packages are at or close to market median, depending on the named executive officer, and very well aligned with corporate and individual performance, both short and long-term, while not exposing us to inappropriate or excessive risks.

Base salary

Our base salaries are intended to be competitive with those paid in the gold mining industry. At the time that the 2016 budget was approved by the Board, the price of gold was in a downward trend and had hit a five-year low. Accordingly, the base salary of all named executive officers was frozen.

Short-term incentive

Our short-time incentive component takes the form of an annual bonus. Annual bonuses are payable in cash and are designed to reward corporate performance based on predetermined corporate objectives and performance measures. Those corporate objectives and performance measures are fixed at the beginning of each year by the Human resources and corporate governance committee and are based on our yearly budget, strategic plan and other performance enhancement initiatives.

In 2013, the Human resources and corporate governance committee oversaw a complete overhaul of the objectives of our short-term incentive component with a view to:

- Increase the number of objectives to be met in order to receive payment of the annual bonus
- Better align the amounts payable as annual bonuses with the performance of our common shares
- Ensure that annual bonuses properly reflect our business environment
- Ensure that meeting annual bonus objectives does not translate into undue risk and takes into account long-term growth objectives.

The Human resources and corporate governance committee requested at the time that management review the annual bonus objectives of other gold producers. The following companies were selected, given the disclosure in their proxy material, which allowed for a meaningful understanding of their short-term incentive program:

- Agnico Eagle Mines Limited
- Alamos Gold Inc.
- Barrick Gold Corporation
- Eldorado Gold Corporation
- Goldcorp Inc.
- Iamgold Corporation
- Newmont Mining Corporation
- Osisko Mining Corporation

The short-term incentive program was modified in 2014 to include a health and safety objective. This addition was made at the request of the Environmental, health & safety and sustainable development committee in order to foster a health and safety culture throughout our organization. Then, in 2015, objectives were set for both reserves and resources replacement.

The table below indicates the objectives of our 2016 short-term incentive component, as well as the weighting of such objectives in establishing the annual bonus of each named executive officer:

Named Executive Officer \ Objectives	Operational objectives		R&R replacement			Corporate objectives		
	Gold Production of 235,000 ounces	All-in Sustaining Cost of US\$740/ounce	Reserves		Resources	Meet the Gold index		Health & Safety
			1 year 258,200 ounces	3 years 780,000 ounces	450,000 ounces	1 year	3 years	Total Recordable incident rate of 2.4
	%	%	%	%	%	%	%	%
Benoit Desormeaux	25	25	3.1	9.4	12.5	5	10	10
Patrick Moryoussef	25	25	3.1	9.4	12.5	5	10	10
Michel Crevier	20	20	4.4	13.1	17.5	5	10	10
Martin Milette	25	25	3.1	9.4	12.5	5	10	10
Sylvain Duchesne	25	25	3.1	9.4	12.5	5	10	10

The results of our corporate objectives are then weighted by 25%, representing the individual performance objective set forth with respect to each named executive officer. The named executive officers' performance is assessed by the President and Chief Executive Officer and approved by the Board on the recommendation of the Human resources and corporate governance committee. The individual objectives

of the President and Chief Executive Officer are assessed by the Board on the recommendation of the Human resources and corporate governance committee.

The Human resources and corporate governance committee considered whether it would be more appropriate that the individual performance of a named executive officer be included in the objectives for the purposes of determining the annual bonus rather than be used as a weighting factor. This committee concluded that our traditional approach was more appropriate in order to foster team work and achieve annual corporate objectives as well as to avoid distortions in the annual bonus of named executive officers and employees given that the individual performance of the former accounts for 25% of their annual bonus while the individual performance of the latter accounts for 10% of their annual bonus.

As an example, the annual bonus of our President and Chief Executive Officer is calculated as follows:

Corporate results					
Base salary	x	Annual bonus at target	x	Results of all objectives	x Weighting
\$454,000		90%		89.75%	75%
+					
Personal results					
Base salary	x	Annual bonus at target	x	Results of all objectives	x Weighting x Individual Performance
\$454,000		90%		89.75%	25% 1
=					
Total bonus					

With respect to the gold production objective, it had been set in 2016 at 235,000 ounces. Our 2016 gold production was 240,200 ounces, translating into this objective being met at 100%.

For the all-in sustaining cost objective, we define these costs as mining operation expenses, government royalties per ounce sold and capital expenditures (excluding exploration) per ounce. The objective was set at US\$740 per ounce produced, with a gradation scale allowing it to be met from 50% to 200%. In 2016, our all-in sustaining cost per ounce was US\$720, which should have translated into this objective being met at 120%. However, after management suggested that a timing difference with respect to capital expenditures be taken into account, the Board, on the recommendation of the Human resources and corporate governance committee, deemed this objective met at 100% instead of 120%. Although objectives for the yearly bonus are set in January of each year, the Board always keeps a discretion when it comes to award bonuses for any given year in order to account for unforeseen events or circumstances.

The objective with respect to gold reserve replacement was set at 258,200 ounces in 2016. This component of our annual bonus objectives is measured over a one and a three-year period, with again a gradation scale allowing it to be met in each case from 50% to 150%. The three-year objective was set at 780,000 ounces. In 2014, we added 190,000 ounces of reserves and 65,000 ounces were added in 2015. Only a small number of reserves was added in 2016, which translated into this objective being met at 0% in 2016 and 0% as well over three years. However, the Board, on the recommendation of the Human resources and corporate governance committee, elected to take into account special circumstances. When we bought Orbis Gold Limited in 2015, gold reserves replacement was already an objective of our short-term incentive program. However, as a matter of principle, the Orbis Gold reserves that became ours

through this acquisition were not considered for the purposes of our reserve replacement objective as we did not want to pay a bonus on “purchased” reserves. The same principle applied to resources. In 2016 however, our team spent considerable time and efforts drilling and completing the Natougué definitive feasibility study to convert resources into reserves. This translated into a robust study adding 1.3M ounces in reserves and showing a 48% internal rate of return. Considering that, while undergoing this task, our team was not working on finding new reserves, the Board, on the recommendation of the Human resources and corporate governance committee, elected to deem the reserve replacement objective met at 50% for 2016 only. When it agreed to use its discretion with respect to this objective, the Board, on the recommendation of the Human resources and corporate governance committee, decided that this was a one-time accommodation applicable to the one-year 2016 short-term objective only and was not to be considered for the three-year period of this component of our yearly bonus.

Insofar as resource replacement is concerned, the objective for 2016 was set at 450,000 ounces. During the year, we discovered 490,000 ounces, translating into this objective being met at 100%.

With respect to the gold index objective, we compare the investment return on our common shares to the return investors would have had if they had invested in our “African Gold Index”. This index is comprised of the following companies:

- Acacia Mining plc.
- Centamin plc.
- Endeavour Mining Corporation
- Iamgold Corporation
- Kinross Gold Corporation
- Nordgold N.V.
- Perseus Mining Limited
- Randgold Resources Limited
- Roxgold Inc.
- Teranga Gold Corporation
- True Gold Mining Inc.

Two companies were added to our gold index in 2016 while one was deleted. The objective is to meet the stock performance of this home-made index. This component of our annual bonus objectives is also measured over both a one-year and a three-year period, with a gradation scale allowing it to be met from 50% to 150%. In 2016, our stock performance was below our index, translating into this objective being met at 0% for the year. Over the three-year period however, this objective was met at 60%.

The health and safety objective was set at 2.4 of total recordable incident rate, which was the average rate in Québec’s mining industry in 2015. This rate represents (total amount of accidents / total work hours) X 200,000. The 200,000 factor is derived from 50 working weeks at 40 hours per 100 employees. No bonus is payable with respect to the health and safety objective if an employee dies as a result of a work-related injury during the year. Our 2016 result was 1.85, meaning this objective was met at 150%.

Overall, the corporate and operational objectives of the named executive officers were met at 89.75% in the aggregate, except for the Vice-president, Exploration and mine geology who stands at 87.25%.

Generally, the target bonus of the named executive officers expressed as a percentage of salary is:

- for the President and Chief Executive Officer, 90% of his salary. In 2016, his bonus was equal to 81% of his salary
- for the Vice-President, Mining operations, 50%. In 2016, his bonus was equal to 45% of his salary
- for the Vice-President, Exploration and mine geology, 50%. In 2016, his bonus was equal to 44% of his salary
- for the Chief Financial Officer, 50%. In 2016, his bonus was equal to 45% of his salary
- for the Vice-President, Engineering and construction, 35%. In 2016, his bonus was equal to 35% of his salary.

The Board, on the recommendation of the Human resources and corporate governance committee, approves the annual bonus of each named executive officer. The Board exercises its discretion when approving the annual bonus of named executive officers and may sometimes decide to award compensation notwithstanding that a corporate objective or performance goal has not been met. The Board, on the recommendation of the Human resources and corporate governance committee, could also decide to increase an award in the event of an outstanding result or reduce it for reasons that it deems fit, as it did with respect to the 2016 all-in cost and reserve replacement objectives. Mr. Desormeaux is not present when his annual bonus is discussed and approved by the independent directors.

The purpose of this component of our executive management compensation philosophy is to ensure that:

- overall compensation is competitive with the gold mining industry
- named executive officers are rewarded for corporate and individual performance
- we are not exposed to inappropriate or excessive risks.

Long-term incentive

The Board is committed behind the principles of:

- tying compensation to performance
- attracting, motivating and retaining the best employees
- ensuring that employees have a stake in our growth.

The Board believes that compensation practices are an important component of best corporate governance practices. Accordingly, with a view to have a long term incentive mechanism that would meet SEMAFO's executive management compensation philosophy while being non-dilutive to you, the Board, on the recommendation of the Human resources and corporate governance committee assisted by Perrault Conseil, recommended to the Board the adoption of the Restricted plan (as defined below), effective January 1, 2011.

Prior to the adoption of the Restricted plan, key employees, officers, directors and consultants received from time to time options granted pursuant to either of our stock option plans. Since 2011, no options have been granted to employees, officers or consultants. And effective January 1, 2015, the Board decided that independent directors would receive Deferred shares as part of their compensation instead of options. Accordingly, we no longer issue options and do not foresee issuing options in the future.

Since 2011, the long-term incentive component of executive management consisted of Restricted shares. In 2015, the Human resources and corporate governance committee requested that management conduct a review of long-term incentives paid by the companies that were then part of the African Index (see page 10), as well as the other companies mentioned on page 10 that were selected in order to have a better understanding of market practices. Further to this review, the Human resources and corporate governance committee recommended to the Board that 25% of the long-term incentive component of executive management's compensation be paid in the form of Performance shares instead of Restricted shares. Certain objectives must be met for Performance shares to vest. Accordingly, in 2016, the named executive officers received both Restricted shares and Performance shares.

Although both Restricted shares and Performance shares are issued under the Restricted Stock Unit Plan (*Restricted plan*), Restricted shares vest with the passage of time only (three years, see below) while Performance shares will vest only if the total cumulative return of our common shares on the TSX over a

three-year period equals or surpasses the performance of our home-made African Index set up for the purposes of our short-term incentive program.

Restricted shares and Performance shares are awarded in relation to a fixed percentage of base salary. Every year, at its January meeting, the Board awards a certain number of Restricted shares and Performance shares to participants, based on the average of the closing price of our common shares on the TSX for the five trading days ending at the end of the previous fiscal year. Any Restricted share or Performance share granted later during the remainder of the year is granted on the same basis.

As an example, the President and Chief Executive Officer is entitled to receive the equivalent of 225% of his base salary in Restricted shares and Performance shares. This is divided as to 75% in Restricted shares and 25% in Performance shares. For 2016, the number of Restricted shares and Performance shares issued was based on a share price of \$3.56 pursuant to the formula explained above. Accordingly, Mr. Desormeaux received 215,204 Restricted shares ($\$454,000 \times 225\% \times 75\% / \3.56) and 71,734 Performance shares ($\$454,000 \times 225\% \times 25\% / \3.56).

Generally, the target percentage of Restricted shares and Performance shares that named executive officers are entitled to receive in relation to their respective base salary is:

- for the Vice-president, Mining operations, 150%. In 2016, he received 98,279 Restricted shares and 32,760 Performance shares
- for the Vice-president, Exploration, mine and geology, 150%. In 2016, he received 89,273 Restricted shares and 29,758 Performance shares
- for the Chief Financial Officer, 150%. In 2016, he received 87,219 Restricted shares and 29,073 Performance shares
- for the Vice-President, Engineering and construction, 100%. In 2016, he received 50,677 Restricted shares and 16,892 Performance shares.

Restricted shares and Performance shares granted in 2016 have a three-year cycle, will vest on December 31, 2018 and will be paid in January 2019 (insofar as the Performance shares are concerned, only if their vesting conditions are met).

The Board believes that a sound mix of Restricted shares and Performance shares promote ownership in SEMAFO and serve to align the interests of executive management with yours, while playing a key retention role. The use of Restricted shares and Performance shares as a component of compensation is intended to more effectively correlate long-term incentive compensation to our stock performance. In addition, while the value of options, Restricted shares and Performance shares are all tied to our share price, unlike options, Restricted shares and Performance shares are not dilutive to you. The incentive, risk mitigation and retentive value of options can be limited in circumstances where, even faced with a strong corporate or individual performance, our share price is negatively impacted by external factors such that options have no value. In these circumstances, Restricted shares and Performance shares continue to have value, albeit reduced, and, consequently, continue to support employee retention and provide effective long-term incentive compensation.

The purpose of the long-term component of our executive management compensation philosophy is to ensure that:

- overall compensation is competitive with the gold mining industry
- named executive officers are paid for performance over the long term
- named executive officers remain with SEMAFO
- we are not exposed to inappropriate or excessive risks.

Overview of our incentive plans

You will find in this section more information on our incentive plans. This is a summary only and you should read the full texts of the plans which are available on the SEDAR website at www.sedar.com. Since the adoption of the 2010 plan (as defined below), although the Original plan (as defined below) remains in effect in respect of outstanding options granted thereunder, all options have been granted pursuant to the 2010 plan.

THE RESTRICTED PLAN

The Restricted plan is a non-dilutive long-term incentive plan pursuant to which Restricted shares and Performance shares are granted in lieu of actual shares or options to purchase common shares. Neither shareholder nor regulatory approval is required in respect of the Restricted plan. The Restricted plan applies to our employees, officers, directors and consultants and those of our subsidiaries. The Restricted plan is administered by the Board, who acts in this regard upon the recommendation of the Human resources and corporate governance committee.

Each Restricted share and Performance share has a value corresponding to a debt of SEMAFO equal in value to one share and credited to a participant's notional account in accordance with the Restricted plan. Pursuant to the Restricted plan, the redemption value of a Restricted share is determined by multiplying the number of Restricted shares vested at the end of the performance cycle by the average closing price of our shares in the last five trading days prior to the end of said performance cycle. Performance shares however are paid only if their vesting conditions are met. The paying formula is the same as for the Restricted shares, but Performance shares can be paid anywhere from 0% to 150% of the amount obtained by applying the foregoing formula, depending on the same gradation scale that applies to the African Index component of our short-term incentive program (see page 35 for more details).

Restricted shares and Performance shares that have not vested at the end of a performance cycle are automatically cancelled. Restricted shares and Performance shares cannot be assigned, transferred or otherwise disposed of. The Board may amend, suspend or terminate the Restricted plan provided such amendment does not adversely affect the right of a participant. In the event that we pay a cash dividend on our common shares, participants are entitled to receive additional Restricted shares and Performance shares. The number of additional Restricted shares and Performance shares to be issued corresponds to the cash dividend that the participant would have received if his or her Restricted shares had been SEMAFO common shares at the date of payment of the cash dividend.

In the event that a participant ceases to be an employee, officer, director or consultant, he or she shall continue to acquire Restricted shares and Performance shares until the end of the performance cycle. The number of Restricted shares and Performance shares vested at the end of the performance cycle is then adjusted proportionally to the number of days worked by the participant during the performance cycle. However, if a participant resigns or is terminated for cause before the end of a performance cycle, all of his or her Restricted shares and Performance shares immediately become null and void. Special provisions apply upon retirement of a participant.

THE DEFERRED PLAN

The Deferred Share Unit Plan (*Deferred plan*) is a non-dilutive long-term incentive plan in which employees, including named executive officers, directors and any other person designated by the Board can participate. Under the Deferred plan, the Board may grant Deferred shares at any time to any eligible participant. Furthermore, participants may elect to receive Deferred shares in lieu of all or a portion of their compensation. Neither shareholder nor regulatory approval is required in respect of the Deferred Plan. The

Deferred Plan is administered by the Board, who acts in this regard upon the recommendation of the Human resources and corporate governance committee.

Each Deferred share has a value corresponding to a debt of SEMAFO equal in value to one share and credited to a participant's notional account in accordance with the Deferred plan. Pursuant to the Deferred plan, after the participant ceases to be a director or to be employed or retained by SEMAFO, the redemption value of each Deferred share held by the participant is determined by multiplying the number of Deferred shares credited to this participant up to the relevant date by the average closing prices of our shares in the last five trading days prior to the redemption date. Deferred shares granted under the Deferred plan cannot be assigned, transferred or otherwise disposed of. In the event that we pay a cash dividend on our common shares, participants are entitled to receive additional Deferred shares. The number of additional Deferred shares to be issued corresponds to the cash dividend that the participant would have received if his or her Deferred shares had been SEMAFO common shares at the date of payment of the cash dividend. The Board may amend or terminate the Deferred plan provided such amendment or termination does not adversely affect the rights of a participant in respect of Deferred shares previously credited, including the right to receive additional Deferred shares in relation to cash dividends paid.

OPTION PLANS

Options used to be awarded by the Board, on the recommendation of the Human resources and corporate governance committee, at the commencement of employment and periodically thereafter or on meeting corporate or individual objectives for members of management and annually for directors. From time to time, options were also awarded to recognize an exceptional accomplishment. In recommending option grants, the Human resources and corporate governance committee considered the number of options already held by the named executive officer, the level of responsibility, the overall contribution to our business plan and the fulfillment of the corporate objectives. Options awarded to named executive officers and employees usually vested 25% per year on the anniversary date of the grant and, depending on the option plan, are valid for a period of five or 10 years, after which they are cancelled. Each option entitles the holder, upon exercise, to one SEMAFO common share. Named executive officers have not been awarded options since 2011. At the beginning of 2015, the Board, on the recommendation of the Human resources and corporate governance committee, decided that independent directors would going forward receive Deferred shares instead of options. Although options issued under the Original plan (as defined below) or the 2010 plan (as defined below) remain outstanding and will be governed by the terms and conditions of the plan under which they were granted, the Board anticipates that no more options will be granted under either plan.

The 2010 plan

On May 10, 2010, the Board adopted a new stock option plan (*2010 plan*) which was approved at your annual general and special meeting held on June 16, 2010. The adoption of the 2010 plan did not affect options outstanding under our original stock option plan (*Original plan*).

The 2010 plan applies to key employees (including named executive officers), directors, consultants and those of our subsidiaries and provides for the grant of non-transferable options to purchase common shares. The Board, upon the recommendation of the Human resources and corporate governance committee, decides to whom options are granted, as well as the conditions attached to the grant of options, and will generally make all decisions regarding the 2010 plan, provided that:

- the total number of common shares covered by the options granted to a given optionee does not exceed 5% of the total number of common shares issued and outstanding

- the total number of common shares issuable to insiders at any time under the 2010 plan and any other security-based compensation arrangements of SEMAFO does not exceed 10% of the total number of common shares issued and outstanding
- the total number of common shares issued to insiders during any one-year period under the 2010 plan and any other security-based compensation arrangements of SEMAFO does not exceed 10% of the total number of common shares issued and outstanding
- the total value of options granted under the 2010 plan and any other security-based compensation arrangements of SEMAFO to any one non-employee director during any one financial year shall not exceed \$100,000, such total value to be determined by the Board based upon the values of options granted to the non-employee director during that financial year on the date of grant of such options.

Under the 2010 plan, options have a term and vest as determined by the Board, provided that the term cannot exceed five years. However, the 2010 plan allows options which would terminate or cease to be exercisable during or immediately following a blackout period, as provided in our securities trading policy, to remain exercisable until the 10th business day following the cessation of that blackout period.

The exercise price of an option granted under the 2010 plan cannot be less than the fair market value of our common shares on the date of grant, which is the closing price of our common shares on the TSX (or, if our common shares are not listed on the TSX, on the stock exchange on which the common shares are then listed for trading) on the last day of trading preceding the date of grant unless we are in a blackout period. The price of an option is payable in full when exercised.

Options granted under the 2010 plan cannot be assigned, transferred or otherwise disposed of other than by will or by applicable laws of succession.

Generally, the 2010 plan provides that, if an optionee ceases being an employee, officer, director or consultant, the optionee will only be able to exercise his or her options for a period of 90 days following the date the optionee ceases being an employee, officer, director, or consultant, provided that any unvested option can only be exercised if and when such option vests during such 90-day period. Where an optionee's employment or service ceases as a result of the resignation of, or termination by, the optionee, all of the optionee's unvested options will immediately expire. However, if an optionee's employment or service is terminated for cause, any option granted to such optionee will terminate immediately. The Board may authorize SEMAFO to enter into an agreement with an optionee which contains terms concerning the effect of the optionee ceasing to be employed with, or providing services to, us which differs from the provisions of the 2010 plan.

In case of an optionee's death, any vested option at the time of death may be exercised by his or her heirs until the earlier of:

- the fixed expiry date of the options, and
- the date that is 365 days following the death of the optionee.

All unvested options will immediately terminate on the date of death of the optionee.

If we propose to:

- enter into different types of business combinations, such as an amalgamation, merger or consolidation
- sell all or substantially all of our assets (other than to a wholly-owned subsidiary)
- liquidate, dissolve or wind up, or

- in the event that an offer to purchase our common shares is made to all shareholders

the Board may, upon notice, allow the exercise of all options, whether vested or unvested, within 30 days of receiving such notice, and may determine that, after this 30-day period, all unexercised options shall terminate. The Board can, by resolution, advance the date on which an option may vest and become exercisable and, subject to applicable regulatory approval, if any, determine that the provisions of the 2010 plan concerning the effect of termination of an optionee's employment or service will not apply to an optionee.

The Board may also adjust the number and kind of shares covered by an option as it deems appropriate in the event that our common shares are changed into or exchanged for a different number or kind of shares or other securities, or in the event of a reorganization, amalgamation or consolidation of SEMAFO.

Since its approval, 1,033,326 options have been granted and 264,598 options are currently outstanding under the 2010 plan with a weighted average exercise price of \$3.41 and a weighted average remaining contractual term of 1.52 years. 264,598 common shares are currently available for issuance under the 2010 plan representing approximately 0.08% of our common shares outstanding.

The Board may amend, suspend or terminate the 2010 plan at any time if that does not require your approval and does not adversely affect the rights of optionees.

The Board may make the following amendments to the 2010 plan without shareholder approval:

- add a provision to, delete a provision from or make an amendment to the 2010 plan that is necessary to comply with governing laws or requirements of securities regulatory authorities
- an amendment to correct or rectify an ambiguity, an inapplicable provision, an error or omission in the 2010 plan or in an option agreement
- an amendment to the class of participants eligible to participate under the 2010 plan
- the addition of a cashless exercise feature, payable in cash or securities, if it provides for a full deduction of the number of common shares covered by the option so exercised from the total number of common shares reserved under the 2010 plan
- the addition of any form of financial assistance that SEMAFO may provide to the optionees to facilitate the purchase of the underlying common shares, as well as any subsequent amendment made to the provisions providing for such financial assistance
- any other amendment not requiring the approval of our shareholders outlined below.

However, shareholder approval is required for the following amendments to the 2010 plan:

- an increase in the number of common shares reserved for issuance
- a reduction in the exercise price, either directly, or indirectly by means of the cancellation of an option and the reissue of a similar option
- the extension of the expiry date of an option
- an amendment which permits options to be transferred or assigned, other than for normal estate settlement purposes
- an increase in, or the removal of limits on, the percentage of shares issuable to insiders
- an increase in, or the removal of limits on, the total value of options which may be granted to non-employee directors
- an amendment to the amendment provisions.

The Original plan

The Original plan applies to key employees (including named executive officers), directors, consultants and those of our subsidiaries. It provides for the grant of non-transferable options to purchase common shares. The Board decided to whom options were granted, as well as the conditions attached to the grant of options. The Board, upon recommendation of the Human resources and corporate governance committee, generally makes all decisions regarding the Original plan provided that:

- the total number of common shares covered by the options granted to a given optionee does not exceed 5% of the total number of common shares outstanding
- the total number of common shares issuable to insiders at any time and under all other security-based compensation arrangements does not exceed 10% of the total number of common shares outstanding
- the total number of common shares issued to insiders during any one-year period and under all other security-based compensation arrangements does not exceed 10% of the total number of common shares outstanding.

Under the Original plan, options have a term and vest as determined by the Board, provided that the term cannot exceed 10 years. However, if the expiry date of an option occurs during, or within ten days following the end of a blackout period, as provided in our securities trading policy, the option's expiry date will be extended until the date that is 10 business days following the end of that blackout period.

The exercise price of an option granted under the Original plan cannot be less than the closing price of our common shares on the TSX on the last day of trading preceding the grant or, if no sale of common shares is reported on such stock exchange on that day, the closing price on the TSX on the last trading day preceding the day the option was granted during which at least one transaction of a board lot is registered. The price of an option is payable in full when exercised.

In aggregate, 11,765,412 common shares were issued upon exercise of stock options under the Original plan representing approximately 3.62% of our common shares outstanding. 990,338 of the common shares issuable under the Original plan have been transferred to the 2010 plan. Currently, up to 2,007,500 common shares may be issued under the Original plan if outstanding options are exercised, representing approximately 0.62% of the common shares outstanding with a weighted average exercise price of \$3.02 and a weighted average remaining contractual term of 2.44 years.

The Original plan provides that, in the event of the termination of an optionee's employment for cause, any option granted to such optionee terminates immediately. If the optionee's employment is terminated on our initiative without cause or as a result of the optionee's resignation, or if the mandate of a director, senior executive or consultant who is an optionee terminates, any vested option of such optionee may be exercised during a period of 90 days following the date of termination. However, during this 90-day period, an unvested option held by an optionee whose employment is terminated without cause or who ceases being a director, senior executive or consultant may be exercised if and when such option vests during such 90-day period. In case of an optionee's death, any vested option at the time of death may be exercised by his or her heirs for 365 days following the death of the optionee.

If we propose to enter into different types of business combinations as described in the summary of the 2010 plan, or to wind up, or in the event that an offer to purchase our common shares is made to all shareholders, the Board may, upon notice, allow the exercise of all options, whether vested or unvested, within 30 days of receiving such notice, and may determine that after this 30-day period, all unexercised options shall terminate.

The Board can, by resolution, advance the date on which an option may be exercised and, subject to applicable law, determine that the provisions of the Original plan concerning the effect of termination of an optionee's employment will not apply to an optionee.

The Board may amend, suspend or terminate the plan at any time if that does not require your approval or that of securities regulatory authorities and does not adversely affect the rights of optionees. The Board may make the following amendments to the Original plan without shareholder approval:

- an amendment to the exercise price of an option, unless it consists of a reduction in the exercise price of an option held by an insider
- an amendment to the expiry date of an option, unless the amendment postpones the expiry of an option held by an insider
- add a provision to or delete a provision from the plan or make an amendment thereto that is necessary to comply with the governing laws or requirements of the securities regulatory authorities
- an amendment to correct or rectify an ambiguity, an inapplicable provision, an error or omission in the plan or in an option
- an amendment to the class of participants eligible for the plan
- the addition of a cashless exercise feature, payable in cash or securities, regardless of whether it provides for a full deduction of the number of underlying common shares from the total number of common shares in the plan reserve
- the addition of any form of financial assistance that we may provide to the optionees to facilitate the purchase of the underlying common shares, as well as any subsequent amendment made to the provisions providing for such financial assistance
- any other amendment not requiring shareholder approval outlined below.

Shareholder approval is required for amendments which result in an increase in the number of common shares reserved for issuance or a reduction in the exercise price or the extension of the expiry date of an option held by an insider.

The following table gives you information regarding the number of our common shares authorized for issuance under both option plans on December 31, 2016:

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c) ¹
Shareholder approved option plans	2,397,421	\$2.22	1,235,961

1. Securities remaining available for future issuance under the 2010 plan. No more options can be granted pursuant to the Original plan. The Board does not anticipate granting any more options.

Recoupment (Clawback) Policy

Should our financial statements have to be restated by reason of fraud or misconduct, the Board may, in its sole discretion, require reimbursement under certain circumstances of all or a portion of the variable compensation paid or vested in the past twelve months (annual bonus, Restricted shares, Performance shares, Deferred shares and options) to certain executive officers.

Summary Compensation Table

The following table indicates the total compensation earned in 2016 by the named executive officers:

Name and principal position	Year	Salary ¹ (\$)	Share-based awards ^{2,3} (\$)	Annual Incentive plan (\$)	Total compensation (\$)
Benoit Desormeaux President and Chief Executive Officer	2016	454,000	1,021,499	366,719	1,842,218
	2015	451,750	1,001,251	576,320	2,029,321
	2014	438,750	945,000	599,716	1,983,466
Patrick Moryoussef Vice-President, Mining operations	2016	311,000	466,499	139,561	917,060
	2015	309,482	457,393	219,346	986,221
	2014	302,709	444,073	229,870	976,652
Michel Crevier Vice-President, Exploration and mine geology	2016	282,500	423,750	123,241	829,491
	2015	281,104	415,373	185,002	881,479
	2014	275,558	407,229	206,927	889,714
Martin Milette Chief Financial Officer	2016	276,000	414,000	123,855	813,855
	2015	272,653	393,917	193,243	859,813
	2014	254,048	296,866	192,918	743,832
Sylvain Duchesne Vice-President, Engineering and Construction	2016	240,545	240,546	85,006	566,097
	2015	240,545	226,930	119,340	586,815
	2014	217,816	199,941	144,496	562,253

1. Base salaries are adjusted April 1 of each year. This explains why although none of the named executive officers received a salary increase in 2016, the base salaries actually paid from January 1 to December 31 reported in this table vary slightly from 2015 to 2016. See page 32 for more information.

2. Share-based awards include both Restricted shares and Performance shares. Each Restricted share and Performance share was issued at a price of \$3.56. For more information on Restricted shares and Performance shares, including how they are granted, priced and vest, see pages 36 to 38.

3. The value of the 2016 Restricted share grant and Performance share grant corresponds to the grant date fair value of the award using a share price at the time of grant of \$3.56. The share price at the time of grant was equal to the average of the trading price of our common shares on the TSX for the five consecutive days ending on December 31, 2015. For purposes of financial statements disclosure as at December 31, 2016, the 2016 Restricted share grant and Performance share grant was valued using a share price of \$4.20. Such accounting fair value is adjusted for forfeitures and amortized over the vesting period of the awards, in this case being the period terminating December 31, 2018. Moreover, for Performance shares, the fair value is also based on the Monte Carlo simulator technique. The difference between the grant date fair value and the base value for accounting purposes as at December 31, 2016 is \$0.64 per Restricted share and Performance share. For more information on the grant date fair value and financial statements disclosure for the financial years ended December 31, 2015 and 2014, respectively, please see our proxy circular for your 2016 and 2015 meetings, respectively.

Incentive Plan Awards

The following table indicates for each named executive officer all options and Restricted shares outstanding on December 31, 2016:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ¹	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ²
		(\$)		(\$)		(\$)
Benoit Desormeaux	400,000	1.35	Feb. 21, 2018	1,228,000		
	400,000	2.03	Aug. 17, 2019	956,000	639,491	2,826,550
	400,000	4.70	Jan. 11, 2020	-		
Patrick Moryoussef	0	-	-	-	292,093	1,291,051
Michel Crevier	0	-	-	-	265,289	1,172,577
Martin Milette	0	-	-	-	254,995	1,127,078
Sylvain Duchesne	0	-	-	-	147,474	651,835

1. Calculated based on the difference between the exercise price of the options and the closing price of our common shares on December 31, 2016 (\$4.42).
2. Calculated by multiplying the number of unvested Restricted shares by the closing price of our common shares on December 31, 2016 (\$4.42).

The following table gives you more information about the number of options exercised, underlying shares sold and value realized by each named executive officer during the financial year ended December 31, 2016:

Name and principal position	Year	Options exercised	Underlying shares sold	Aggregate value realized	Unexercised options at December 31, 2016	
		(#)	(#)	(\$)	Exercisable	Unexercisable
Benoit Desormeaux President and Chief Executive Officer	2016	200,000	200,000	698,707	1,200,000	0
Patrick Moryoussef Vice-President, Mining operations	2016	0	N/A	N/A	0	0
Michel Crevier Vice-President, Exploration and mine geology	2016	200,000	200,000	259,102	0	0
Martin Milette Chief Financial Officer	2016	100,000	100,000	247,926	0	0
Sylvain Duchesne Vice-President, Engineering and Construction	2016	100,000	100,000	166,951	0	0

The following table indicates for each named executive officer the value vested of all awards and the bonus paid during the 2016 financial year:

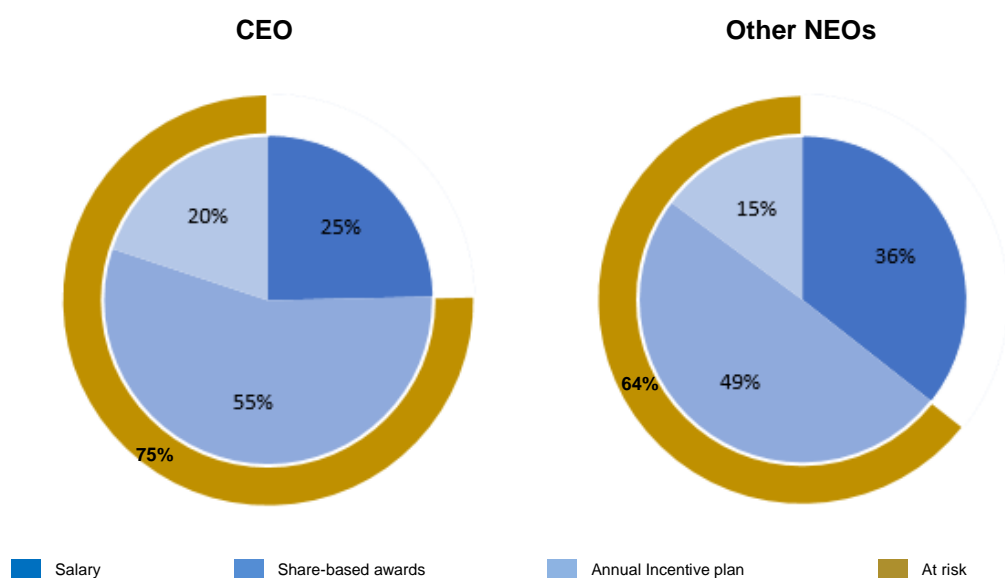
Name	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Benoit Desormeaux	1,432,851	366,719
Patrick Moryoussef	673,323	139,561
Michel Crevier	617,459	123,241
Martin Milette	450,122	123,855
Sylvain Duchesne	303,160	85,006

Compensation Risks

The Board considers that our compensation philosophy as a whole and each of its components individually are aligned with prudent risk management. In particular, the Board is of the view that our objectives for the short-term and long-term incentives do not encourage named executive officers, executive management or employees to take inappropriate or excessive risks. On the contrary, the Board is of the view that these objectives are aligned with creating both short-term and long-term value. The Board is also of the view that the potential clawback of previously paid short-term incentives acts as a safeguard against inappropriate behavior.

Furthermore, our securities trading policy specifically prohibits insiders from short selling or otherwise buying or directly or indirectly being a counterpart to any instrument created to protect against the reduction of the value of our securities.

In 2016, the portion of the President and Chief Executive Officer's total compensation that was at risk, along with the other named executive officers, is illustrated as follows:



CHIEF EXECUTIVE OFFICER OWNERSHIP POLICY

The Board has adopted an ownership requirement providing that the Chief Executive Officer must hold equity of SEMAFO with a value of at least three times his or her base salary. This requirement is to be attained within five years of becoming the Chief Executive Officer and must be maintained during the tenure as Chief Executive Officer. Mr. Desormeaux meets this requirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Since 2009, SEMAFO is a party to a termination agreement with each of the President and Chief Executive Officer and the Chief Financial Officer. Under each agreement, the named executive officer is entitled, only in the event that, within 18 months of the change of control of SEMAFO, his employment be terminated or the scope of his responsibilities substantially reduced, to:

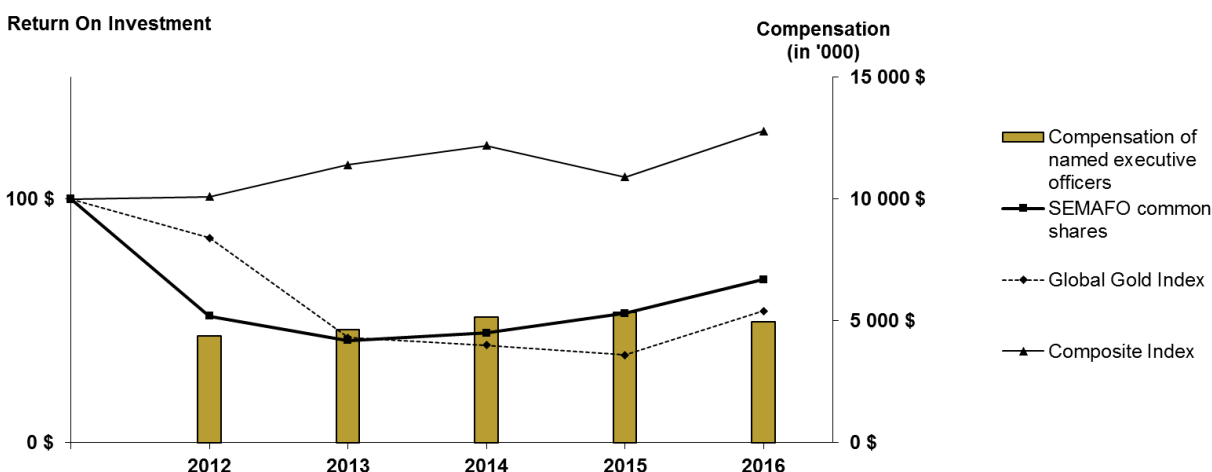
- 24 months of base salary and annual bonus at target
- over the same period, retain insurance and other benefits
- accelerated vesting of outstanding options, Restricted shares and Performance shares. All of the outstanding options of Mr. Desormeaux are already vested while Mr. Milette no longer holds any option.

If any of these individuals had been terminated on December 31, 2016, the President and Chief Executive Officer would have received approximately \$4,379,162 and the Chief Financial Officer approximately \$1,885,130. These amounts assume that all unvested Restricted shares and Performance shares had been paid on December 31, 2016, at the closing price of our common shares on the TSX on that date (\$4.42). Under the termination agreements however, the Restricted shares and Performance shares would be paid at the value determined by the Board pursuant to a resolution adopted in this regard and applicable to all holders of Restricted shares and Performance shares.

Compensation vs. performance

PERFORMANCE GRAPH

The following graph compares the performance of our common shares over the last five years to the performance of the S&P/TSX Composite Index and the S&P/TSX Global Gold Index (formerly the S&P/TSX Capped Gold Index). It shows what \$100 invested in our shares, the Composite Index and the Global Gold Index at the end of 2011 would be worth at the end of each of the last five completed financial years.



Price	2012/12/31	2013/12/31	2014/12/31	2015/12/31	2016/12/31
	\$	\$	\$	\$	\$
SEMAFO common shares	52	42	45	53	67
Global Gold Index	84	43	40	36	54
Composite Index	104	114	122	109	128
Compensation of named executive officers	4,362,899	4,647,823	5,155,917	5,343,649	4,968,721

The bar chart above shows the variation of total compensation paid to our named executive officers over the same period¹¹. The compensation paid to our named executive officers is generally aligned with our stock performance. The bar chart demonstrates that aggregate compensation generally fluctuates in line with stock performance. For instance, named executive officers' compensation declined in 2012 as did the value of our shares and progressed in 2014 and 2015 reflecting the increase in our stock price. The Board is of the view that, with the short-term incentive program that was put in place in 2013 as well as the introduction of Performance shares in 2016, this correlation will become stronger over time. As shown on page 46, named executive officers have an important part of their compensation that is "at risk". This is a testimony of the Board's alignment beyond the principle of "pay for performance".

¹¹ The bar chart excludes the additional compensation paid to our former President and Chief executive officer as well as the 2012 and 2013 Restricted share grants that Mr. Lamarre renounced.

AGGREGATE COMPENSATION VS. CORPORATE PERFORMANCE

In 2016, the aggregate compensation of all named executive officers was \$4,968,721, a 7.02% decrease over last year and, had you bought a SEMAFO common share on January 1 and sold it on December 31, your return on investment would have been 27.75%. The decrease reflects the reduction in the payment of our yearly bonus, mainly due to our difficulties in replacing reserves, as well as the performance of our shares relative to our home-made “African Gold Index”. Given that our share price nevertheless increased by close to 28% during the year, this demonstrates that SEMAFO pays for performance and that the objectives of our short-term incentive program are not lax.

Directors' compensation

Our independent directors' compensation philosophy is designed to attract and retain directors who have the skills, experience and expertise to manage our business and affairs¹².

To reach this objective, the independent directors' compensation philosophy includes three components¹³:

- annual retainer
- attendance fee
- since January 1, 2015, Deferred shares. We no longer issue options to directors.

The Board believes that these three components allow us to meet the objectives of our independent directors' compensation philosophy. Since January 1, 2014 however, directors may avail themselves of our Deferred plan to receive all or part of their compensation in Deferred shares rather than cash. In January 2015, the Board, on the recommendation of the Human resources and corporate governance committee, decided that independent directors would no longer be awarded options as part of their compensation but would instead receive Deferred shares.

At the end of 2014, the Human resources and corporate governance committee asked Perrault Conseil to review the independent directors' compensation practices of the following companies in order to adjust, if need be, the compensation of directors effective in 2015:

- | | |
|-------------------------------|----------------------------|
| • Alamos Gold Inc. | • Oceana Gold Corporation |
| • Alacer Gold Corp. | • Orvana Minerals Corp. |
| • Argonaut Gold Inc. | • Primero Mining Corp. |
| • Aurico Gold Inc. | • Teranga Gold Corporation |
| • Dundee Precious Metals Inc. | |

These companies are the same as those mentioned on page 31 that Perrault Conseil used as a benchmark for comparing named executive officers' compensation. They were selected because their turnover is similar to ours, a factor the Human resources and corporate governance committee and the Board are of the view is relevant when comparing compensation.

Based on such review, the Human resources and corporate governance committee recommended to the Board the following adjustments to directors' compensation:

- the base retainer of the independent directors was increased from \$30,000 to \$40,000
- the annual retainer of the Chair of the Environmental, health & safety and sustainable development committee was increased from \$6,000 to \$10,000
- the annual compensation for the members of the Environmental, health & safety and sustainable development committee was increased from \$2,500 to \$4,000

As mentioned on page 31, the Human resources and corporate governance committee's practice is to compare the compensation of SEMAFO's named executive officers and independent directors to our peers'

¹² Mr. Benoit Desormeaux, the President and Chief Executive Officer, is not an independent director and does not receive any compensation as Board member.

¹³ Directors are also entitled to the reimbursement of expenses incurred in attending meetings.

every other year. Accordingly, a review of our peers' compensation practice was completed in early 2017 and will be discussed in next year's circular.

The various components of the compensation of the independent directors is further discussed below.

1. Annual retainer

Each independent director is entitled to an annual retainer of \$40,000. In addition:

- the Lead director is entitled to an annual retainer of \$15,000
- the Chair of the Audit committee is entitled to an annual retainer of \$12,500
- the Chair of the Human resources and corporate governance committee is entitled to an annual retainer of \$12,500
- the Chair of the Environmental, health & safety and sustainable development committee is entitled to an annual retainer of \$10,000
- each member of the Audit committee (except the Chair) is entitled to an annual retainer of \$5,000
- each member of the Human resources and corporate governance committee (except the Chair) is entitled to an annual retainer of \$5,000
- each member of the Environmental, health & safety and sustainable development committee (except the Chair) is entitled to an annual retainer of \$4,000.

2. Attendance fee

Each Board and committee member (with the exception of Messrs. Lamarre and Desormeaux) is entitled to an attendance fee of \$1,250 for each Board or committee meeting attended.

3. Deferred shares

Traditionally, new independent directors were awarded 100,000 options upon becoming a member of the Board. Independent directors would also receive 35,000 options per year. However, under the 2010 plan, the total value of options granted to any one independent director during any financial year could not exceed \$100,000.

Effective in 2015, independent directors receive \$80,000 of Deferred shares on an annual basis. The value of each Deferred share so granted is identical to the value of the Restricted shares and Performance shares as discussed on page 37 and based on the same formula.

COMPENSATION OF THE CHAIR OF THE BOARD

Mr. Jean Lamarre is Chair of the Board since 2000. Mr. Lamarre has been present in Africa for close to 45 years and was in regular contact with government representatives and other African officials. He dealt with demands made by various African stakeholders and played a crucial role in the development and implementation of our positioning strategies on the African continent. Mr. Lamarre was appointed Executive Chair of the Board in June 2008 but, effective January 1, 2015, he ceased to serve as Executive Chair and is since no longer part of management. However, the Human resources and corporate governance committee and the Board are of the view that a “cool off” period is required before Mr. Lamarre can be considered independent from management.

During the course of 2014, the Human resources and corporate governance committee requested that Perrault Conseil review the compensation of the Executive Chair of the Board and its independent directors. Perrault Conseil reviewed the compensation practices of the second group of companies mentioned on page 10, as well as a group of 14 other Canadian mining companies and a group of 12 large Québec-based corporations. The Canadian mining companies are:

- | | |
|-----------------------------------|------------------------------|
| • Allied Nevada Gold | • Lake Shore Gold |
| • Capstone Mining Corporation | • Lucara Diamond |
| • Detour Gold Inc. | • Lundin Mining |
| • Franco-Nevada Corp. | • New Gold Inc. |
| • HudBay Minerals Inc. | • North American Palladium |
| • Kirkland Lake Gold | • Osisko Mining Corp |
| • Labrador Iron Ore Royalty Corp. | • St. Andrew Goldfields Ltd. |

The Québec-based companies are:

- | | |
|----------------------------|-------------------------|
| • Alimentation Couche-Tard | • Gildan Activewear |
| • Canam Group Inc. | • Metro Inc. |
| • Cascades Inc. | • Morneau Shepell |
| • CGI Group | • RONA Inc. |
| • Dollarama Inc. | • Transcontinental Inc. |
| • Fonds de solidarité FTQ | • Saputo Inc. |

The Board, on the recommendation of the Human resources and corporate governance committee, based on the analysis of Perrault Conseil, adjusted Mr. Lamarre’s compensation, replacing his annual bonus by Deferred shares. Furthermore, considering he was no longer Executive Chair, the Board, on the recommendation of the Human resources and corporate governance committee, adjusted his compensation. The objective is that, over time, Mr. Lamarre’s compensation be at the market median of the non-executive board chair compensation reviewed by Perrault Conseil in 2014.

The following table illustrates the annual retainer and attendance fee components of our compensation philosophy for directors:

	Annual compensation (\$)	Compensation payable to the chair of a committee (\$)	Attendance fee for each meeting (\$)
Chair	225,000	-	-
Lead director	15,000	-	1,250
Director	40,000	-	1,250
Audit committee	5,000	12,500	1,250
Human resources and corporate governance committee	5,000	12,500	1,250
Environmental, health & safety and sustainable development committee	4,000	10,000	1,250

The following table indicates the total compensation earned in 2016 by the directors:

Name	Fees earned (\$)	Deferred shares (\$)	Total (\$)
Jean Lamarre	225,000	135,000	360,000
Terence F. Bowles	72,750 ¹	80,000	152,750
Flore Konan	60,000	80,000	140,000
John LeBoutillier	82,500	80,000	162,500
Gilles Masson	76,500	80,000	156,500
Lawrence McBrearty	78,750 ¹	80,000	158,750
Tertius Zongo	72,750 ¹	80,000	152,750

1. In 2016, members of the Environmental, health & safety and sustainable development committee traveled to Burkina Faso where they held a meeting in addition to performing other facets of this committee's mandate. The Human resources and corporate governance committee elected to award a compensation to each attending member of the Environmental, health & safety and sustainable development committee equal to three meetings attended.

The following table indicates for each independent director all awards outstanding on December 31, 2016:

Option-based Awards					
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ² (\$)	Payout value of vested Deferred shares not paid out ³ (\$)
Jean Lamarre	150,000	2.03	Aug. 17, 2019	358,500	681,204
	200,000	4.70	Jan. 11, 2020	-	
Terence F. Bowles	26,149	7.45	Jan. 22, 2017	-	239,807
Flore Konan	0 ¹	-	-	-	178,465
John LeBoutillier	49,407	3.71	Jan. 23, 2019	35,079	223,833
	15,000	1.37	Aug. 30, 2017	45,750	
	30,000	1.40	Jan. 12, 2019	90,600	
	20,000	2.03	Aug. 17, 2019	47,800	
	35,000	4.70	Jan 11, 2020	-	
	26,149	7.45	Jan. 22, 2017	-	
	67,794	3.15	Jan. 24, 2018	86,098	
Gilles Masson	49,407	3.71	Jan. 23, 2019	35,079	223,833
	30,000	1.40	Jan. 12, 2019	90,600	
	20,000	2.03	Aug. 17, 2019	47,800	
	35,000	4.70	Jan. 11, 2020	-	
	26,149	7.45	Jan. 22, 2017	-	
	17,794	3.15	Jan. 24, 2018	22,598	
Lawrence McBrearty	26,149	7.45	Jan 22, 2017	-	223,833
Tertius Zongo	22,232	3.71	Jan. 23, 2019	15,785	244,545
	20,727	3.05	Aug. 7, 2017	28,396	
	57,964	3.15	Jan. 24, 2018	73,614	

¹ Mrs. Konan joined the Board in May 2015, after the Board decided to cease issuing options to independent directors.

² Calculated based on the difference between the exercise price of the options and the closing price of our common shares on December 31, 2016 (\$4.42).

³ Calculated based on the closing price of our common shares on December 31, 2016 (\$4.42).

The following table gives you more information about the number of options exercised, underlying shares sold and value realized by each independent director during the financial year ended December 31, 2016:

Name	Year	Options exercised	Underlying shares sold	Aggregate value realized	Unexercised options at December 31, 2016	
		(#)	(#)	(%)	Exercisable	Unexercisable
Jean Lamarre	2016	260,000	260,000	990,915	350,000	0
Terence F. Bowles	2016	117,201	117,201	408,222	26,149	0
Flore Konan	2016	0	N/A	N/A	0	0
John LeBoutillier	2016	115,000	115,000	315,229	243,350	0
Gilles Masson	2016	135,000	135,000	402,885	178,350	0
Lawrence McBrearty	2016	202,201	202,201	696,304	26,149	0
Tertius Zongo	2016	80,054	80,054	194,197	100,923	0

The following table indicates for each director the value vested of all option-based awards during the 2016 financial year:

Name	Option-based awards – Value vested during the year ¹	
	(\$)	
Jean Lamarre	0	
Terence F. Bowles	0	
Flore Konan	0	
John LeBoutillier	0	
Gilles Masson	0	
Lawrence McBrearty	0	
Tertius Zongo	61,066 ²	

1 Calculated based on the difference between the exercise price of the options and the closing price of our common shares on the vesting date.

2 On August 7, 2016, 15,944 options vested. The closing price of our shares on August 5, 2016, the last trading day on the TSX before these options vested, was \$6.88 and the exercise price of these options was \$3.05.

Other Information

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We maintain liability insurance for directors and officers. The annual premium paid in respect of this insurance is \$156,825, and the total amount of insurance purchased is \$50,000,000, subject to a deductible amount of \$100,000. The policy contains certain exclusions. No claim has ever been made.

Corporate governance practices

You will find in Appendix A our Corporate Governance Practices.

FINANCIAL INFORMATION

Additional information for the financial year ended December 31, 2016 is provided in our consolidated financial statements, in the related management's discussion and analysis of operating results and in our annual information form, where you will also find more information on the Audit committee and its members in the *Audit committee Information* section. Copies of these and other documents and additional information relating to SEMAFO are available on the SEDAR website at www.sedar.com and are also available on our website at www.semafo.com. You may also obtain them free of charge upon request to our corporate secretary at:

SEMAFO Inc.
100, Alexis-Nihon Blvd. 7th Floor
Saint-Laurent (Québec) H4M 2P3
Canada

DELIVERY OF MEETING MATERIAL

The meeting material is sent to both registered and non-registered shareholders. If you are a non-registered shareholder and either us or your agent has sent this material directly to you, your name, address and information about your SEMAFO shares have been obtained from your nominee in accordance with securities laws. By sending this material to you directly, we (and not your nominee) have assumed responsibility for:

- delivering the material to you
- executing your voting instructions.

Please return your voting instructions as specified in the request for voting instructions.

We do not intend to pay for a proximate intermediary to send the proxy-related material and request for voting instructions made by an intermediary to non-registered shareholders who are objecting beneficial owners (known as OBOs). Consequently, if you are an OBO, you may not receive our proxy-related materials unless an intermediary assumes the costs of the delivery.

SHAREHOLDER PROPOSALS

You have until December 22, 2017 to submit a shareholder proposal for consideration at the 2018 annual shareholders meeting.

WEBSITE

You will find on our website various additional governance documents, including:

- the Mandate of the Audit committee
- the Mandate of the Chair of the Board
- the Mandate of the Lead director
- the Mandate of the President and Chief Executive Officer
- our Anti-corruption Policy, and
- corporate social responsibility documents, such as our Environmental Policy.

You can find all of these documents and other information regarding SEMAFO on our website at www.semafo.com. All references to our website are for your information only and the information it contains is not part of this circular.

DIRECT REGISTRATION SYSTEM

You have the possibility to avail yourself of the Direct Registration System (known as *DRS*). *DRS* allows you to own your SEMAFO shares directly with Computershare rather than in the name of a nominee or of holding a physical share certificate. For more information on the *DRS*, please contact Computershare at 514-982-7555 or toll free at 1 800 564-6253.

Appendix A – Corporate Governance Practices

The following compare our governance practices against the requirements of National Policy 58-201-*Corporate Governance Guidelines* which is an initiative of the *Canadian Securities Administrators*. We are regularly adjusting our governance practices as regulatory changes, governance trends and our context evolve.

CSA Governance Guidelines	SEMAFO's Practices
1. Board of Directors--	
(a) Disclose the identity of the directors who are independent.	<p>The Board has determined, after reviewing the roles and relationships of each director, that:</p> <ul style="list-style-type: none"> • Terence F. Bowles • Flore Konan • John LeBoutillier • Gilles Masson • Lawrence McBrearty • Tertius Zongo <p>are all independent. In order to make that determination, the Board obtained information from the nominee directors by way of a questionnaire.</p>
(b) Disclose the identity of directors who are not independent, and describe the basis of that determination.	<p>Mr. Lamarre was the Executive Chair of the Board up to and including December 31, 2014. Although he has ceased to serve as Executive Chair, the Board is of the view that a “cool off” period is necessary before Mr. Lamarre can be considered independent from management. Mr. Desormeaux is the President and Chief Executive Officer. Considering these factors, Messrs. Lamarre and Desormeaux are not independent.</p>
(c) Disclose whether or not a majority of the directors are independent.	<p>Six of the eight nominee directors are independent, namely:</p> <ul style="list-style-type: none"> • Terence F. Bowles • Flore Konan • John LeBoutillier • Gilles Masson • Lawrence McBrearty • Tertius Zongo.

CSA Governance Guidelines	SEMAFO's Practices
<p>(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Jean Lamarre is a member of the board of directors of:</p> <ul style="list-style-type: none"> • TS03 Inc. (TSX-TOS) • Technologies D-Box Inc. (TSX-DBO) • Arianne Phosphate Inc. (TSX-V-DAN) <p>John LeBoutillier is a member of the board of directors of:</p> <ul style="list-style-type: none"> • Industrial Alliance, Insurance and Financial Services Inc. (TSX – IAG). Mr. LeBoutillier will leave this board of directors at the upcoming meeting of the shareholders of this company • Mazarin Inc. (NEX – MAZ.H) • Asbestos Corporation Limited (NEX – AB.H) • Stornoway Diamond Corporation (TSX – SWY). <p>Gilles Masson is a member of the board of directors of:</p> <ul style="list-style-type: none"> • RNC Minerals (formerly known as Royal Nickel Corporation; TSX – RNX).
<p>(e) Disclose whether or not the independent directors hold regular scheduled meetings at which members of management are not in attendance. Disclose the number of meetings held during the preceding 12 months.</p>	<p>Independent directors meet <i>in camera</i> at the end of each meeting of the Board and Board committees. The Lead Director chairs all <i>in camera</i> sessions of the Board.</p> <p>In 2016, eight <i>in camera</i> sessions took place out of a total of eight Board meetings.</p>

CSA Governance Guidelines

(f) Disclose whether or not the chair of the board is an independent director, disclose the identity of the independent chair, and describe his or her role and responsibilities.

SEMAFO's Practices

Mr. Lamarre served as Chair of the Board from May 29, 2000 to June 18, 2008. Due to all the responsibilities and duties performed by Mr. Lamarre, the Board appointed him Executive Chair on June 18, 2008. Consequently, the Board appointed Mr. John LeBoutillier as Lead director. However, effective January 1, 2015, Mr. Lamarre ceased to serve as Executive Chair. He remains a non-independent director and Mr. LeBoutillier is hence still the Lead director of the Board.

The principal roles and responsibilities of the Chair of the Board are:

- Chair Board and shareholders meetings
- Attend meetings of the committees of the Board, if convenient
- Ensure that a strategic plan is communicated to the Board and that all material issues are approved by the Board on a timely basis
- Plan and organize Board activities.

The principal roles and responsibilities of the Lead director are:

- Foster an environment which allows the directors to function independently of management
- Work with the Chair of the Board to coordinate the setting of the agenda and Board meetings, and make recommendations to the Chair of the Board on the conduct of meetings
- Chair and steer the meetings of independent directors, including in camera sessions
- Ensure that the independent directors have sufficient opportunities to meet without members of management present
- Be available to directors who wish to discuss issues that cannot be discussed with the Chair of the Board
- In the absence of the Chair of the Board, chair Board meetings.
- Together with the Chair of the Board, lead the Board's annual evaluation process of directors
- Together with the Chair of the Board, lead the Board's succession process with respect to the President and Chief Executive Officer.

You will find the respective Mandates of the Chair of the Board and of the Lead director on our website at www.semafo.com.

CSA Governance Guidelines

SEMAFO's Practices

4. Orientation and Continuing Education--

(a) Briefly describe what measures the board takes to orient new members regarding

- i. the role of the board, its committees and its directors, and
- ii. the nature and operation of the issuer's business.

The Human resources and corporate governance committee is responsible for ensuring that an orientation program is established for new directors. Upon joining the Board, new directors receive:

- documentation related to their role as director
- a schedule of the regular meetings of the Board and of its committees
- the mandate of the Board and of each Board committee
- the mandate of each of the Chair of the Board, the Lead director and the President and Chief Executive Officer
- our corporate policies
- an organization chart
- a list of our mining properties
- other relevant information.

This information is periodically updated.

(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors.

The Human resources and corporate governance committee is responsible for providing Board members with continuing education opportunities. At every meeting of the Board, directors have an opportunity to hear presentations by executive management on various topics regarding our operations. Furthermore, Board members have in the past travelled to Africa where they visited our operations and were provided with in-depth descriptions of all aspects of our business. At these occasions, directors meet with geologists, engineers and employees. Directors also get first-hand knowledge of our sustainable development initiatives. These visits increase the directors' knowledge of our operations and the Board is of the view that good governance mandates that it meet approximately every two years in Africa to have on-hand knowledge of on-site developments. Furthermore, the members of the Environmental, health & safety and sustainable development committee, to the extent possible, meet every year in Africa and tour our mining sites to adequately fulfill the mandate of this committee. For more information on continuing education initiatives in 2016, see page 19.

CSA Governance Guidelines

SEMAFO's Practices

5. Ethical Business Conduct--

(a) Disclose whether or not the board has adopted a written code for its directors, officers and employees. If the board has adopted a written code:

- disclose how an interested party may obtain a copy of the written code;
- describe how the board monitors compliance with its code; and
- provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of director or executive officer that constitutes a departure from the code.

(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Five years ago, the Board, upon the recommendation of the Human resources and corporate governance committee, adopted a new Code of conduct. The Code of conduct is applicable to directors, management and non-unionized employees. Ever since its enactment, new employees are asked to read and sign the code. Board members and employees are asked every year to read and sign the Code of conduct. The Human resources and corporate governance committee monitors compliance with the Code of conduct which was filed on SEDAR at www.sedar.com and is available on our website at www.semafo.com. Our Code of Conduct is reviewed and, if necessary, updated annually. No departure from the Code of conduct occurred in 2016.

The director having such an interest would not be present during the deliberations concerning the proposed transaction and would not vote on the matter. For example, in 2015, we selected a subsidiary of Industrial Alliance, Insurance and Financial Services Inc. to manage the pension component newly offered to our expatriate employees. Mr. LeBoutillier, the Lead director of the Board, is chairman of the board of Industrial Alliance, Insurance and Financial Services Inc. Management recommended this company to the Human resources and corporate governance committee after conducting a tender process. Mr. LeBoutillier, who chairs the Human resources and corporate governance committee, excused himself from the meeting when the results of the tender process were presented to the members of this committee, did not take part in any discussion relating to this matter and did not vote on the resolution adopted by the other members of this committee recommending to the Board the execution of a contract with the subsidiary of Industrial Alliance. Mr. LeBoutillier did not vote on the matter either when it came to the Board. Furthermore, Messrs. Lamarre and Desormeaux are never present when their annual compensation is discussed and do not vote on these matters.

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(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	You will find the Mandate of the Human resources and corporate governance committee in Appendix C.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state the fact and briefly describe the nature of the work.	No compensation consultant provided services in 2016.
8. Other Board Committees-- If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.	The Board also has an Environmental, health & safety and sustainable development committee. The Environmental, health & safety and sustainable development committee is composed of four independent directors. You will find the mandate of this committee on our website at www.semafo.com .
9. Assessments-- Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution.	<p>The Chair of the Board and the Lead director meet in private on a regular basis to discuss the performance and effectiveness of the independent members of the Board, the Board itself and the committees of the Board. The Chair of the Board also regularly discusses privately these issues with individual Board members as well as during meetings of the Board. Furthermore, the Lead director has been entrusted with additional responsibilities regarding our assessment and succession planning processes, including:</p> <ul style="list-style-type: none"> • Together with the Chair of the Board, leading the Board's annual evaluation process of directors • Together with the Chair of the Board, leading the Board's succession process with respect to the President and Chief Executive Officer. <p>The Human resources and corporate governance committee also monitors every year the result of nominee director's election in accordance with our majority voting policy. For more information on this policy, see page 9.</p>

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10. Director Term Limits and Other Mechanisms of Board Renewal - Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The Board is firmly committed beyond the principle of board renewal. Of eight Board nominees, one has been on the Board for two years, four have been directors for seven years or less while three have enjoyed a longer tenure. The Board is of the view that this strikes the right balance between experience and the need for fresh perspectives. During 2015, at the Board's request, the Human resources and corporate governance committee conducted a review of board renewal mechanisms of the companies that then composed our "African Gold Index" (see page 10) as well as the second group of companies appearing on page 10. The Human resources and corporate governance committee asked management to review the proxy material of these companies in order to have a better understanding of practices in regards to board renewal. Based on this review, and given that, on the Board:

- directors' average tenure is 8.5 years
- directors' average age is 63 years old, and
- the very successful approval rate of the nominee directors,

the Board, on the recommendation of the Human resources and corporate governance committee, decided that it will not for the time being impose either a mandatory retirement age or a term limit on directors.

11. Policies Regarding the Representation of Women on the Board - Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

The Board has not adopted a policy specifically addressing gender diversity on the Board. Due to its limited size, the Board is of the view that it is not necessary for the time being to have a gender diversity policy but is open to adopting such a policy in the future.

12. Consideration of the Representation of Women in the Director Identification and Selection Process -- Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

The Board does not consider the level of representation of women in identifying and nominating candidates for election or reelection to the Board. Mrs. Flore Konan's gender was not a factor when the Board sought a new Board nominee in 2015 and selected Mrs. Konan for nomination. The selection of Mrs. Konan stands from the Board's commitment to build a better board with the relevant skills and experiences to function efficiently in managing our business and affairs. The Board is of the view that diversity helps build stronger board of directors but that the road to diversity may take different forms. Semafco is proud to have two Africans on the Board and believes that, in our particular context, diversity is well served on the Board.

CSA Governance Guidelines	SEMAFO's Practices
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments -- Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>SEMAFO believes in diversity and inclusion at all levels in the workplace, including in the executive positions. We are committed to ensuring that no barrier or bias exists in our environment and our Code of Conduct prohibits any type of discrimination. However, we do not consider the level of representation of women in executive officer positions when making executive officer appointments. Our succession plans are such that, over time, women will be appointed to executive positions.</p>
<p>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>We have not adopted any such targets. Given our size, measurable objectives in relation to gender would not be appropriate. As we grow and require more employees, we will consider adopting gender and other diversity targets with respect to either or both director and executive officers' positions.</p> <p>Several years ago, we implemented a development plan for our national workforce. This plan is now coming to maturity and, accordingly, many Africans are being promoted to managerial and trainer positions in Burkina Faso.</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>At your 2017 meeting, you will be asked to reelect Mrs. Flore Konan to the Board. If elected, one out of eight directors will be a woman, or 12.5% of Board members.</p> <p>Three women are part of the senior management team and several women have been identified in executive officers' succession plans.</p>

Appendix B – Mandate Of The Board Of Directors

1. Duties

The Board of Directors (the “Board”) of Semafo Inc. (the “Corporation”) is responsible for the stewardship of the Corporation and for supervising the management of its business and affairs.

In fulfilling its duties, the Board oversees:

Strategic Planning

- The Corporation’s strategic direction and, on an annual basis, reviews and approves its strategic and business plans
- The Corporation’s annual financial objectives and, on an annual basis, reviews and approves its budgets and execution plans.

Operations

- The Corporation’s operations, including comparing the objectives identified in the annual strategic and business plans and financial budgets to actual results with the view of ensuring that its assets are efficiently managed.

Risks

- The identification of the principal business risks and the establishment of appropriate policies and risk management systems aimed at managing these risks.

Executive Management

- The appointment, assessment, compensation and succession planning of executive management.

Integrity

- The integrity of the Corporation’s internal controls, information and financial management systems
- The implementation of policies and systems aimed at increasing accountability, ensuring compliance with applicable laws and with auditing and accounting principles
- The implementation of policies and systems aimed at ensuring the respect of the business conduct standards in all countries in which the Corporation operates.

Governance

- The Corporation’s approach to corporate governance
- The implementation of policies and systems aimed at accurate, timely and full public disclosure of information material to the Corporation.

Environment and Sustainable Development

- The implementation of policies and systems aimed at positioning the Corporation as a responsible mining Corporation in environmental, health and safety and sustainable development matters in the countries in which it operates.

Financial Reporting and Material Transactions

- And approves the “Annual Information Form”, the quarterly and annual financial statements and related “Management’s Discussion and Analysis of financial and operating results” as well as press releases
- And approves material transactions out of the ordinary course of business.

2. Board Committees

In fulfilling its duties, the Board may from time to time establish committees of the Board, delegate responsibilities to, appoint Board members of as well as a Chair for each such committee. The Board’s current committees are the Audit committee, the Human Resources and Corporate Governance Committee and the Environmental, health & safety and sustainable Development Committee.

3. Assessment of the Board and Board Committees’ Efficiency

The Board shall assess on an annual basis its own efficiency as well as that of each Board committee. The Board may request the Human Resources and Corporate Governance Committee to assist the Board in this regard.

4. Composition

The Board is composed of a minimum of three directors and of a maximum of 15 directors.

A majority of directors shall be independent directors as prescribed by the Canadian Securities Administrators and determined by the Board.

5. Chair

The Chair of the Board shall be an independent director or, as the case may be, an independent director shall be appointed as Lead Director.

The role of the Chair of the Board and of the Lead Director (if any) is set forth in their respective Mandate.

6. Meetings

The Board meets at least five times a year at locations, dates and times it determines.

The Chair of the Board may convene a meeting at any time.

7. Organization

The Corporation’s secretary acts as Board secretary.

Before each Board meeting, the secretary distributes the agenda and the information required for discussion and decision-making purposes. The secretary records the minutes of each Board meeting in a register kept for this purpose.

8. Quorum and Decisions

The Board quorum is the majority of directors.

Subject to the quorum being reached, the Board makes its decisions by a majority of the votes cast by attending directors.

9. Outside Advisors

In fulfilling its duties, the Board may retain legal, accounting or other advisors.

Appendix C – Mandate Of The Human Resources And Corporate Governance Committee

1. Duties

The role of the Human Resources and Corporate Governance Committee (the “Committee”) of SEMAFO Inc. (the “Corporation”) is to assist the Board of Directors (the “Board”) in its oversight of:

- The appointment, assessment, compensation and succession planning of executive management
- The Corporation's approach to corporate governance
- The establishment of policies and systems aimed at accurate, timely and full public disclosure of information material to the Corporation.

In fulfilling its duties, the Committee:

Human Resources

- Reviews and recommends to the Board for approval the adequacy and form of compensation of Board members to ensure that their compensation realistically reflects their risks and responsibilities
- Reviews and recommends to the Board for approval the overall compensation strategy and yearly compensation of executive management
- Recommends to the Board for approval grants of stock options under the Corporation's stock option plans
- Recommends to the Board for approval grants of restricted share units and performance share units under the Corporation's Restricted Share Unit Plan
- Recommends to the Board for approval grants of deferred share units under the Corporation's Deferred Share Unit Plan
- If so requested by the Board, assesses the efficiency of the Board and of Board committees
- Recommends new candidates for the position of director to the Board, as appropriate
- Orients new Board members regarding the role of the Board and of its committees and the Corporation's business
- Provides Board members with continuing education opportunities.

Corporate Governance

- Develops, reviews and recommends to the Board for approval the Corporation's corporate governance principles, processes and policies
- Reviews and recommends to the Board for approval the Management Proxy Circular prepared in connection with shareholders' meetings.

2. Composition

The Committee is composed of at least three Corporation directors appointed by the Board for a mandate of one year or for any other period set by the Board.

All Committee members shall be independent directors as prescribed by the Canadian Securities Administrators and determined by the Board.

3. Chair

The Chair of the Committee is appointed by the Board. In the event of the Chair's inability to attend a meeting, the Committee members shall appoint a chair for such meeting.

The Chair of the Committee:

- Chairs all Committee meetings
- Ensures the fulfillment of the Committee mandate
- Reports on Committee activities to the Board
- Ensures that this mandate is reviewed annually by the Committee members to recommend to the Board any appropriate changes.

4. Meetings

The Committee meets at least twice a year at locations, dates and times it determines.

The Chair of the Committee may convene a meeting at any time.

5. Organization

The Corporation's secretary acts as Committee secretary.

Before each Committee meeting, the secretary distributes the agenda and the information required for discussion and decision-making purposes. The secretary records the minutes of each Committee meeting in a register kept for this purpose.

6. Quorum and Decisions

The Committee quorum is the majority of Committee members.

Subject to the quorum being reached, the Committee makes its decisions by a majority of the votes cast by attending members.

7. Outside Advisors

In fulfilling its duties, the Committee may retain legal, accounting or other advisors.

Appendix D – Amended and Restated Shareholder Rights Plan – Resolution

IT IS HEREBY RESOLVED THAT:

1. The Amended and Restated Shareholder Rights Plan Agreement entered into between the Corporation and Computershare Trust Company of Canada (“Computershare”), which amends and restates the Shareholder Rights Plan Agreement dated March 15, 2011 between the Corporation and Computershare, on the terms described in the March 7, 2017 circular of the Corporation, be and is hereby confirmed and approved; and
2. Any director or officer of the Corporation is authorized to execute and deliver all such documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution.

Appendix E – By-law No. 2017-1 – Resolution

IT IS HEREBY RESOLVED THAT:

1. By-law No. 2017-1 amending the Corporation’s By-law No. 2012-1 by including an advance notice requirement for director nominations be and is hereby approved; and
2. Any director or officer of the Corporation is authorized to execute and deliver all such documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution.

Appendix F – By-law No. 2017-1

BY-LAW NO. 2017-1

SEMAFO Inc.

BE IT ENACTED as a by-law of the Corporation as follows:

ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

1. By-law No. 2012-1 of the by-laws of the Corporation is hereby amended by inserting in Article IV thereto, following paragraph 3 and preceding paragraph 4 thereof, the following:

“3A. Nomination of Directors

Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of Directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting), (a) by or at the direction of the Board or an authorized officer of the Corporation, 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 the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a “Nominating Shareholder”) (i) who, at the close of business on the date of the giving of the notice provided for below in this paragraph 3A of this Article IV and on the record date for notice of such meeting, is entered in the securities register 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 (ii) who complies with the notice procedures set forth below in this paragraph 3A of this Article IV:

- (A) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this paragraph 3A of this Article IV.
- (B) To be timely under paragraph 3A(A) of this Article IV, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing Directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- (C) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Corporation under paragraph 3A(A) of this Article IV, 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 residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (iv) a statement as to whether such person would be “independent” of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended, or pursuant to any regulations or statutes which may supersede such provisions, from time to time) if elected as a Director at such meeting and the reasons and basis for such determination and (v) 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 Act and Applicable Securities Laws; and (b) as to the Nominating Shareholder giving the notice, (i) any 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, and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

- (D) No person shall be eligible for election as a Director of the Corporation unless nominated in accordance with the provisions of this paragraph 3A of this Article IV; provided, however, that nothing in this paragraph 3A of this Article IV shall be deemed to preclude discussion by a shareholder (as distinct from nominating Directors) at a Meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (E) For purposes of this paragraph 3A of this Article IV:
 - (a) “Affiliate”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
 - (b) “Applicable Securities Laws” means the *Securities Act* (Québec) and the equivalent legislation in or applicable to the other provinces and territories 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 commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada and of any cooperative capital markets regulatory authority;
 - (c) “Associate”, when used to indicate a relationship with a specified person, shall mean (i) any corporation or trust of which such person owns beneficially, directly

or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;

- (d) "Meeting of Shareholders" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the Board by a Nominating Shareholder;
 - (e) "owned beneficially" or "owns beneficially" means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; and (iii) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities; and
 - (f) "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 Corporation or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (F) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph 3A of this Article IV.
- (G) Notice or any delivery given to the Corporate Secretary of the Corporation pursuant to this paragraph 3A of this Article IV may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Saint-Laurent time) on a day which is

a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(H) Notwithstanding the foregoing provisions of this paragraph 3A of this Article IV, the provisions of this paragraph 3A of this Article IV shall not take effect until approved by shareholders at a Meeting of Shareholders.

2. By-law No. 2012-1, as amended from time to time, of the by-laws of the Corporation and this by-law shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-law No. 2012-1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-law No. 2012-1 unless expressly stated otherwise herein or the context otherwise requires.



SEMAFO Inc.
100, Alexis-Nihon Blvd.
7th Floor
Saint-Laurent (Québec) H4M 2P3
Canada
Tel.: (514) 744-4408
Fax: (514) 744-2291
info@semafo.com