

## THE STARS GROUP INC.

### CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

#### PURPOSE

The Corporate Governance, Nominating and Compensation Committee (the “**Committee**”) is a standing committee appointed by the board of directors (“**Board**”) of The Stars Group Inc. (the “**Company**”). The Committee is responsible for, among other things as may be delegated by the Board from time to time:

- (a) overseeing and assessing the functioning of the Board and the committees of the Board;
- (b) the development, recommendation to the Board, implementation and assessment of effective corporate governance principles;
- (c) considering and reporting periodically to the Board on matters relating to the identification, selection and qualifications of Board members and candidates nominated for appointment or election, as the case may be, to the Board; and
- (d) assisting the Board in discharging the Board’s oversight responsibilities relating to the compensation and retention of employees of the Company and its subsidiaries with the skills and expertise needed to enable the Company to achieve its goals and strategies at a fair and competitive compensation, including appropriate performance incentives, including:
  - (i) reviewing, assessing and recommending to the Board compensation payable to the Chief Executive Officer and Designated Employees (as defined below);
  - (ii) reviewing the compensation payable to directors;
  - (iii) reviewing and overseeing the adoption and administration of compensation and incentive plans and programs; and
  - (iv) reviewing executive and director compensation disclosure to be made in the Company’s management information circular prepared in connection with the Company’s annual meeting of shareholders.

#### PROCEDURES

1. *Number of Members* – The members of the Committee shall be appointed by the Board. The Committee will be composed of not less than three (3) Board members.
2. *Independence* – The Committee shall be constituted at all times of “**independent directors**” who either meet or exceed the independence requirements of the NASDAQ Stock Market LLC (“**NASDAQ**”) and who are “independent” within the meaning of

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). The Board will consider all relevant facts and circumstances in making a determination of independence for each director and, as appropriate, impose independence requirements more stringent than those provided for by NASDAQ and/or NI 58-101 to the extent required by Canadian or U.S. securities laws, including rules and policies promulgated by the Securities and Exchange Commission (“**SEC**”) and the Toronto Stock Exchange (“**TSX**”). In particular, each member shall be “independent” in accordance with NI 58-101 and Rule 10C-1 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

3. *Appointment and Replacement of Committee Members* – Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointing another director to the Committee. The Board shall fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of the Committee’s powers as long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be appointed by the Board annually and each member of the Committee shall remain on the Committee until his or her successor shall be duly appointed and qualified or his or her earlier resignation or removal.
4. *Committee Chair* – Unless a Chair of the Committee is designated by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee. The Committee Chair shall be responsible for leadership of the Committee, including preparing the agenda in consultation with other committee members and members of management, presiding over the meetings, making committee assignments and reporting to the Board following each meeting and as otherwise necessary. If the Committee Chair is not present at any meeting of the Committee, one of the other members of the Committee who is present shall be chosen by the Committee to preside at the meeting. The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
5. *Conflicts of Interest* – If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member shall be responsible for alerting the Committee Chair. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair shall advise the Chair of the Board. If the Committee Chair, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee the member’s interest and shall not participate in consideration of the matter and shall not vote on the matter.
6. *Meetings* – The Committee shall meet regularly and as often as it deems necessary to perform the duties described herein in a timely manner, but not less than four (4) times a year. Meetings may be held at any time deemed appropriate by the Committee. The Committee shall maintain written minutes of its meetings, which will be filed with the meeting minutes of the Board.

## **RESPONSIBILITIES – CORPORATE GOVERNANCE AND NOMINATING**

### **Board Composition and Director Nominations**

1. The Committee shall:
  - (a) identify and recommend to the Board qualified nominees for election or appointment, as the case may be, as directors;
  - (b) review from time to time the size of the Board;
  - (c) develop and review periodically standards to be applied in making determinations as to the presence or absence of material relationships between a director and the Company and management and make recommendations to enable the Board to function independently of management;
  - (d) review annually the competencies, skills and personal qualities required of directors in order to add value to the Company, in light of:
    - (i) the opportunities and risks facing the Company and the Company's proposed strategy;
    - (ii) the need to ensure that for purposes of the composition of the Board a majority of the directors are independent directors; and
    - (iii) the Company's corporate governance guidelines and Board policies with respect to director tenure, retirement and succession and the number of boards on which directors may sit;
  - (e) review periodically the competencies, skills and personal qualities of each existing director, and the contributions made by the director to the effective operation of the Board and review any significant change in the primary occupation of the director;
  - (f) make recommendations for changes to the composition of the Board as it deems necessary and appropriate; and
  - (g) recruit and consider candidates for director, including any candidates nominated by shareholders, having regard for the independence, background, employment and qualifications of possible candidates and the alignment of such candidate's competencies, skills and personal qualities with the Company's needs.

### **Succession Planning**

2. The Committee shall periodically review with the Chair of the Board and the Chief Executive Officer the succession plans relating to the position of the Chief Executive Officer and generally with respect to other senior positions and make recommendations to the Board with respect to the selection of individuals to occupy these positions.

3. The Committee shall review plans in respect of an unexpected incapacitation of the Chief Executive Officer.

### **Corporate Governance**

4. The Committee is responsible for considering matters of corporate governance and reviewing periodically the Company's corporate governance policies, its approach to governance issues and reviewing at least annually the Company's corporate governance guidelines and recommending to the Board changes to the same.
5. In the event a director submits a resignation for consideration by the Board pursuant to the corporate governance guidelines or a Board policy, the Committee will recommend to the Board whether or not to accept it.
6. The Committee shall assess any shareholder proposals to be included in the management information circular prepared in connection with the annual meeting of shareholders and make appropriate recommendations to the Board.

### **Director Protection**

7. The Committee shall assess the directors and officers insurance policy of the Company and make recommendations for its renewal or amendment or the replacement of the insurer.
8. Subject to applicable law and the constating documents of the Company, the Committee is responsible for administering all policies and practices of the Company with respect to the indemnification of directors by the Company and for approving all payments made pursuant to such policies and practices.

### **Business and Ethical Conduct**

9. The Committee shall:
  - (a) establish and update periodically a Code of Business Conduct for employees, officers and directors of the Company; and
  - (b) monitor, and review management's monitoring of, compliance with the Company's Code of Business Conduct.

### **Director Orientation and Continuing Education**

10. The Committee shall oversee the orientation of new directors to familiarize them with the Company's business and operations, including the Company's reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors as well as the expectations of serving as a director. The Committee shall also oversee ongoing educational opportunities for all directors.

## **Board Evaluations**

11. The Committee shall annually review and make recommendations to the Board for changes to the mandate for the Board and the position descriptions for the Chair of the Board and other director roles.
12. The Committee shall oversee the annual Board and Committee performance evaluation process, including conducting surveys of director observations, suggestions, views and effectiveness and preferences. The Committee shall consider the performance of the incumbent members of the Board in determining whether to recommend that they be nominated for reelection, and evaluate and recommend termination of membership of individual directors in accordance with the Company's constating documents for cause or other appropriate reasons.
13. The Committee shall also annually assess the effectiveness of the Board as a whole and each committee of the Board, including this Committee, having regard for the mandate of the Board and the charter of the relevant Board committee, as the case may be, and make recommendations to the Board.

## **Operations of the Board**

14. The Committee shall make recommendations respecting succession planning for the Chair of the Board and, in the event of a change in the Chair of the Board, shall make recommendations to the Board respecting the appointment of a new Chair of the Board.
15. The Committee shall review from time to time, and at least annually, the charters of the committees of the Board and make recommendations regarding the charters to the Board and recommend timely changes in the role, size, composition and structure of Board committees.

## **RESPONSIBILITIES - COMPENSATION**

### **Director Compensation**

1. The Committee shall recommend to the Board the terms upon which directors shall be compensated. The Committee shall recommend terms for the compensation of directors, the Chair of the Board and those acting as committee chairs that adequately reflect the responsibilities they are assuming.

### **Compensation of Chief Executive Officer and Designated Employees**

2. The Committee shall annually:
  - (a) review and revise the position description of the Chief Executive Officer and recommend annual performance goals and criteria for the Chief Executive Officer, evaluate the performance of the Chief Executive Officer against such position description and applicable performance goals and criteria and set the Chief Executive Officer's level of compensation based on this evaluation;

- (b) review the Chief Executive Officer's and Board's evaluation of the performance of other "Officers" (such term defined as any president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, and any other officer as otherwise set out in Rule 16a-1(f) of the U.S. Exchange Act) of the Company and the other employees of the Company and any subsidiary of the Company as may be identified to the Committee by the Chief Executive Officer or Board (collectively, the "**Designated Employees**") and review the Chief Executive Officer's recommendations with respect to the amount of compensation to be provided to the Designated Employees, provided that, for the avoidance of doubt, the foregoing is in addition to and does not limit the Committee's review and oversight role and responsibilities as it relates to reviewing and overseeing the adoption and administration of compensation and incentive plans and programs for all employees of the Company and its subsidiaries;
  - (c) review, assess the competitiveness and appropriateness of and approve the compensation package of the Chief Executive Officer and each of the Designated Employees. In conducting such review, the Committee shall consider:
    - (i) compensation packages of the Chief Executive Officer and the Designated Employees for the prior year;
    - (ii) the Committee's evaluation of the performance of the Chief Executive Officer and the Chief Executive Officer's evaluation of the performance of the respective Designated Employees;
    - (iii) the Company's financial and operating performance, including the absolute and relative shareholder return;
    - (iv) whether the compensation package reflects an appropriate balance between short and longer-term incentives and alignment with the interests of shareholders;
    - (v) the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies; and
    - (vi) the awards given to the Chief Executive Officer and Designated Employees in previous years.
3. The Committee shall review and approve any employment contracts or other hiring or termination packages to be entered into with the Chief Executive Officer and the Designated Employees and any material change to the terms of such contracts and shall review all arrangements which take effect upon the termination of employment of the Chief Executive Officer and the Designated Employees or upon a change of control of the Company, in each case, if it is determined that approval by the full Board is not

necessary. The Chief Executive Officer may not be present during voting or deliberations on his or her compensation arrangements.

4. The Committee shall review the composition and use of comparator groups used in assessing compensation payable to the Chief Executive Officer and Designated Employees.

#### **Compensation Policies**

5. The Committee shall review and recommend to the Board compensation policies and processes and any new incentive compensation and equity compensation plans of the Company or changes to any such plans now or hereafter existing and effective.
6. The Committee shall administer all incentive and equity compensation plans of the Company, including any bonus plans, stock plans and equity arrangements, that may be adopted from time to time, with such authority and power as set forth in such plans, subject to all applicable policies adopted by the Board.
7. The Committee shall review and approve any performance measures respecting incentive compensation payable to the Designated Employees and make recommendations to the Board on any performance measures regarding incentive compensation payable to the Chief Executive Officer.
8. The Committee shall review pension plan design changes and associated cost estimates.

#### **Compensation Consultants and Advisors – Access and Funding**

9. The Committee shall have the sole authority to retain, oversee, compensate and terminate compensation consultants, legal counsel or other advisors to assist the Committee in its activities without consulting with or obtaining the approval of the Board or any officer of the Company. The Committee shall meet in camera, without management being present, with such advisors as necessary. The Company shall provide for appropriate funding, as determined by the Committee, for payment of any compensation to any outside advisors retained by the Committee. The Committee shall review and assess the performance of its outside advisors at least on an annual basis. The Committee will receive, with such frequency as it deems appropriate, notification from its outside advisors on the non-Committee work performed by such advisors to the Company.
10. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration all factors relevant to that person's independence (including the following six factors and any other factors specified from time to time in the listing standards of NASDAQ):
  - (a) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
  - (b) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the

total revenue of the person that employs the compensation consultant, legal counsel or other advisor;

- (c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
- (e) any shares of the Company owned by the compensation consultant, legal counsel or other advisor; and
- (f) any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the adviser with the Chief Executive Office of the Company or Designated Employee.

The Committee may select, or receive advice from, legal counsel or any compensation consultant or advisor that it considers appropriate, including an advisor that is not independent, after considering the relevant independence factors.

## **RESPONSIBILITIES – OTHER**

### **Compliance with Disclosure Requirements**

1. The Committee shall annually review and recommend approval to the Board (if deemed advisable) the disclosure of the Company's corporate governance practices and executive compensation included in the management information circular prepared in connection with the annual meeting of shareholders and on the Company website.

### **General**

2. The Committee shall undertake on behalf of the Board such other corporate governance, nominating or compensation initiatives as may be necessary or desirable to enable the Board to provide effective corporate governance for the Company and to otherwise contribute to the success of the Company and enhance shareholder value.
3. The Committee shall perform such other functions as required by law, the Company's constituting documents, or the Board.

### **Exceptions**

4. The Committee may delegate from time to time to any person or committee any of its responsibilities that may lawfully be delegated, provided that the authority to grant awards under compensation and equity plans may not be delegated to the Company's management or to any other person.



**THIS CHARTER**

The Committee shall review and reassess at least annually the adequacy of this Charter and as required by applicable laws or by the applicable rules of NASDAQ, the TSX or the SEC. The Charter shall be posted on the Company's website.

**DATED November 16, 2016**