

POLYMET MINING CORP.
COMPENSATION COMMITTEE CHARTER

1. PURPOSE

The Compensation Committee (in this charter, the “Committee”) shall assist the Board in its oversight role with respect to PolyMet Mining Corp.’s (the “Company”) global human resource strategy, policies and programs, and all matters relating to the proper utilization of human resources within the Company, with special focus on Management succession, development and compensation.

2. STRUCTURE AND OPERATIONS

The Committee shall be composed of not less than three (3) directors. Members of the Committee shall be independent and appointed or reappointed at the meeting of the Board, immediately following the annual general meeting of the shareholders of the Company (the “AGM”), and in the normal course of business will serve a minimum of three (3) years. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy that occurs in the Committee at any time.

The Board or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, at the meeting of the Board immediately following the AGM, a chairman from among their number. The chairman shall not be a former officer of the Company and shall serve as a liaison between the Committee and members of the Company’s management team (“Management”).

Meetings of the Committee shall be held at least once annually, provided that due notice is given and a quorum of a majority of the members is present. Where a meeting is not possible, resolutions in writing which are signed by all members of the Committee are as valid as if they had been passed at a duly held meeting. The frequency and nature of the meeting agendas are dependent upon business matters and affairs which the Company faces from time to time.

The Committee shall report to the Board on its activities after each of its meetings. In addition, it shall review and assess the adequacy of this charter annually and, where necessary, recommend changes to the Board for approval. The Committee shall undertake and review with the Board an annual performance evaluation of the Committee.

3. SPECIFIC DUTIES

The Committee shall review and make recommendations to the Board at least annually regarding the following:

1. the appointment, performance, succession and remuneration of officers;
2. the Company’s succession and leadership plans;
3. remuneration and compensation policies, including short and long-term incentive compensation plans, such as stock option and share bonus grants;
4. the granting of stock options to directors, officers and other key employees and consultants of the Company;
5. all other remuneration matters, including severance arrangements and ownership guideline compliance, with respect to directors and officers, and
6. executive compensation disclosure prior to its public release.

The Committee shall have the authority to retain and compensate such independent advisors as it may deem necessary or advisable to fulfill its duties. The expenses related to such engagement shall be funded by the Company.

The Committee shall have such other powers and duties as delegated to it by the Board.

Reviewed and last approved by the Board of Directors on July 14, 2016.