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**NOVAGOLD RESOURCES INC.  
(the "Company")**

**COMPENSATION COMMITTEE CHARTER**

**1.0 PURPOSE**

**1.1** The Compensation Committee (the "Committee") is a standing committee of the Board of Directors (the "Board") of NovaGold Resources Inc. ("NOVAGOLD" or "the Company") which is appointed by and reports to the Board, with a mandate to assist the Board in fulfilling its oversight responsibilities related to:

- (a) appointment, performance evaluation and compensation of NOVAGOLD's President and Chief Executive Officer ("CEO") and other executive officers of NOVAGOLD (collectively, "Executive Officers");
- (b) succession planning relating to the CEO, other Executive Officers and other key employees including appointments, reassignments and terminations;
- (c) compensation structure for the CEO and other Executive Officers including annual, mid-term and long-term incentive plans and incentive plans involving share issuances or share awards;
- (d) determination of director compensation; and
- (e) share ownership guidelines for the CEO, other Executive Officers and directors.

**2.0 COMMITTEE MEMBERSHIP**

**2.1** The Board of NOVAGOLD shall annually appoint a minimum of three directors to the Committee all of whom shall be independent as determined by the Board in accordance with the applicable requirements of the laws governing the Company including National Instrument 58-101 *Disclosure of Corporate Governance Policies*, as amended from time to time, and the rules of the applicable stock exchanges on which the Company's securities are listed. At least two members of the Committee must qualify as "non-employee directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as "outside directors" for the purposes of Section 162(m) of the United States Internal Revenue Code, as amended.

**2.2** Members of the Committee shall be appointed at the first meeting of the Board of Directors typically held following the Annual General Meeting of NOVAGOLD.

**2.3** A member may resign from the Committee and may be removed and replaced at any time by the Board of Directors. A member of the Committee will automatically cease to be a member at such time as that individual ceases to be a director of NOVAGOLD.

**3.0 CHAIR OF THE COMMITTEE**

**3.1** The Board shall in each year appoint a Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member to act as interim Chair.

**3.2** The Chair shall have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and shall, in any event, advise all other members of any decisions made or powers exercised as soon as practicable thereafter.

**3.3** The Chair shall be responsible to:

- (a) ensure the Committee meets regularly and performs its duties as set out herein; and
- (b) report to the Board of Directors on the activities of the Committee.

#### **4.0 COMMITTEE AUTHORITY AND RESPONSIBILITIES**

**4.1** The Committee shall have authority and be responsible to perform the following:

##### ***Appointment, Performance Evaluation, and Compensation of the CEO:***

- (a) annually review and approve the position description of the CEO and the corporate performance goals and objectives relevant to determining the CEO's compensation;
- (b) evaluate the CEO's performance in light of the corporate goals and objectives established on an annual basis;
- (c) make recommendations to the Board with respect to the CEO's compensation based on (i) its evaluation of the CEO's performance, including, as appropriate, salary, bonus, incentive and equity compensation and benefit plans, and (ii) to the extent applicable, taking into account the most recent shareholder advisory vote on executive compensation as required by Section 14A of the Exchange Act;
- (d) review shareholdings of the CEO relative to the share ownership guidelines established by the Committee, including current holdings of share-equivalent units;
- (e) consider and as appropriate approve any agreements, including those addressing retirement, termination of employment or other special circumstances, including terms and conditions of appointments, between the company and the CEO, for execution by the Committee Chair; and
- (f) develop and implement a CEO succession plan.

##### ***Appointment, Performance Evaluation, and Compensation of other Executive Officers:***

- (a) annually review and approve the evaluation process and compensation structure for other Executive Officers;
- (b) make recommendations to the Board with respect to the compensation of all other Executive Officers of NOVAGOLD, including, as appropriate, salary, bonus, incentive and equity compensation, taking into account, to the extent applicable, the most recent shareholder advisory vote on executive compensation as required by Section 14A of Exchange Act;
- (c) assess the competitiveness and appropriateness of NOVAGOLD's executive compensation plans and policies;
- (d) review shareholdings of the Executive Officers relative to the share ownership guidelines established by the Committee, including current holdings of share-equivalent units;

- (e) consider and as appropriate approve any agreements, including those addressing retirement, termination of employment or other special circumstances, including terms and conditions of appointments, between the company and such Executive Officers, for execution by the CEO; and
- (f) review management's succession planning for such Executive Officers.

***Board of Director Compensation:***

- (a) annually review and recommend to the Board a compensation package for members of the Board, taking into account the relative responsibilities of directors in serving on the Board and on the various subcommittees of the Board.

***NOVAGOLD's Compensation Plans:***

- (a) review and approve NOVAGOLD's compensation philosophy, policies, plans and guidelines annually and recommend any changes to the Board including compensation principles and objectives for total compensation, desired competitive positioning and the selection of companies used to benchmark executive and director compensation;
- (b) from time to time review NOVAGOLD's company-wide pay bands or other compensation structure, particularly when updated or otherwise changed;
- (c) review and recommend to the Board any new incentive compensation and equity compensation plans;
- (d) manage and administer all equity compensation plans, including NOVAGOLD's Stock Option Plan and Performance Share Unit Plan, and make recommendations respecting individual and aggregate grants of equity and options and any changes to such plans; and
- (e) review all material proposed actions with respect to pension plans for approval by the Board.

***General:***

- (a) review and approve as appropriate any changes to share ownership guidelines applicable to the CEO, other Executive Officers and directors;
- (b) to the extent the Company is subject to United States proxy rules, review and discuss with management NOVAGOLD's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Management Information Circular and annual report on Form 10-K;
- (c) to the extent the Company is subject to United States proxy rules, review and recommend to the Board for approval the frequency with which the Company will conduct a shareholder advisory vote on the executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's Management Information Circular;
- (d) review the results of any Say on Pay Vote and consider whether to make or recommend, as appropriate, any adjustments to the Company's executive compensation policies and guidelines; and

- (e) perform any other activities consistent with this Charter, NOVAGOLD's articles of association and governing law, as the Board may from time to time deem necessary or appropriate.

## **5.0 MEETINGS**

- 5.1** The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- 5.2** No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- 5.3** The Committee shall meet as often as it deems necessary to carry out its responsibilities but not less frequently than quarterly. The Committee shall hold in camera meetings at each Committee meeting.
- 5.4** The time at which, and the place where the meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of association of NOVAGOLD, this Charter or otherwise determined by resolution of the Board.
- 5.5** Meetings may be held in person, by teleconferencing or by videoconferencing.
- 5.6** Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
- 5.7** Minutes of the Committee will be kept by the Secretary. The approved minutes of the Committee shall be circulated to the Board forthwith and shall be duly entered in the books of NOVAGOLD.
- 5.8** The Chair shall preside at all meetings of the Committee at which he or she is present and shall develop the agenda for each Committee meeting. The agenda for each meeting of the Committee, other than an ad hoc meeting, shall be delivered to each member of the Committee at least 48 hours prior to any meeting of the Committee, together with such other materials as the Chair determines necessary.

## **6.0 ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS**

- 6.1** The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of NOVAGOLD.
- 6.2** The Committee may invite such other persons (i.e. the CEO, CFO, Controller) to its meetings, as it deems necessary; provided, however, the CEO and other Executive Officers shall not be present during voting deliberations when their compensation or performance is discussed or determined.

**6.3** The Committee may, in its sole discretion, retain or obtain the advice of, any compensation consultant, legal counsel or other adviser (each, a "Compensation Adviser" and collectively, "Compensation Advisers") as it deems necessary or advisable for the fulfillment of its responsibilities. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Compensation Adviser retained by the Committee. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Adviser retained by the Committee. Prior to engaging or obtaining advice from any Compensation Adviser other than in-house legal counsel, the Committee shall assess the independence of the Compensation Adviser, taking into consideration the following factors, as well as any other factors required to be considered pursuant to all applicable legal and regulatory requirements:

- (a) the provision of other services to the Company by the person that employs the Compensation Adviser;
- (b) the amount of fees received from the Company by the person that employs the Compensation Adviser, as a percentage of the total revenue of the person that employs the Compensation Adviser;
- (c) the policies and procedures of the person that employs the Compensation Adviser that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the Compensation Adviser with a member of the Committee;
- (e) any stock of the Company owned by the Compensation Adviser; and
- (f) any business or personal relationship of the Compensation Adviser or the person employing the Compensation Adviser with an executive officer of the Company.

The Committee is required to conduct the independence assessment outlined above with respect to any Compensation Adviser that provides advice to the Committee, other than: (i) in-house legal counsel; and (ii) any Compensation Adviser that acts in a role limited to the following activities: (x) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (y) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the Compensation Adviser, and about which the Compensation Adviser does not provide advice.

Nothing in this Charter requires a Compensation Adviser to be independent, only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a Compensation Adviser. The Committee may select, or receive advice from, any Compensation Adviser it prefers, including ones that are not independent, after considering the six independence factors outlined in (a)–(f) above.

## **7.0 REPORTING REQUIREMENTS**

**7.1** The Committee shall make regular reports to the Board, through the Chair, following meetings of the Committee.

**7.2** The Committee shall prepare an annual report to shareholders concerning executive compensation for inclusion in NOVAGOLD's annual Management Information Circular and annual report on Form 10-K.

## **8.0 ANNUAL REVIEW AND ASSESSMENT**

**8.1** The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

**8.2** The Committee shall review its own performance annually in accordance with the processes developed by the Corporate Governance & Nominations Committee.

## **9.0 REMUNERATION**

**9.1** The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

*As of November 21, 2019*