



**TAAL DISTRIBUTED INFORMATION TECHNOLOGIES
INC.**

Title: Charter for Compensation Committee
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Please bring any changes that you believe should be made to this precedent to the attention of the CEO and Board of Directors

**CHARTER OF THE COMPENSATION COMMITTEE OF
TAAL DISTRIBUTED INFORMATION TECHNOLOGIES INC.**

GENERAL

1. PURPOSE AND RESPONSIBILITIES

1.1 Purpose

The Committee's purpose is to assist Board oversight of executive and Director compensation, including with respect to:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO's compensation level based on this evaluation;
- (b) recommending to the Board non-CEO executive officer and director compensation, incentive-compensation and equity-based plans;
- (c) approving and monitoring insider trading and share ownership policies;
- (d) reviewing executive compensation disclosure before it is publicly disclosed; and
- (e) performing any other activities consistent with this Charter.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) "Board" means the board of directors of the Company;

- (b) "CEO" means the chief executive officer of the Company;
- (c) "Chair" means the chair of the Committee;
- (d) "Committee" means the management resources and compensation committee of the Board;
- (e) "Company" means TAAL Distributed Information Technologies Inc.; and
- (f) "Director" means a member of the Board.

2.2 Interpretation

The provisions of this Charter are subject to the articles and by-laws of the Corporation and to the applicable provisions of the *Business Corporations Act (British Columbia)* and any other applicable legislation.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. **ESTABLISHMENT AND COMPOSITION OF COMMITTEE**

3.1 Establishment of Compensation Committee

The Committee is hereby continued with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board, having considered the recommendation of the Nominating and Corporate Governance Committee.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.
- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Qualification and Independence of Members

- (a) *Qualification of Members.* A Director is not required to have any specific qualifications in order to serve as a member of the Committee.
- (b) *Independence of Members.* Each member of the Committee shall be independent for the purposes of all applicable regulatory and stock exchange requirements.

4. **COMMITTEE CHAIR**

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. **COMMITTEE MEETINGS**

5.1 Quorum

A quorum of the Committee shall be two members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee who shall take the minutes of each meeting of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least four times per year on a quarterly basis.

5.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.5 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

5.6 Invitees

The Committee may invite Directors, officers, consultants and employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

6. **AUTHORITY OF COMMITTEE**

6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to retain and terminate any firm engaged to assist in the evaluation of director, CEO or senior executive compensation and to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors.

6.2 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.3 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

7. **REMUNERATION OF COMMITTEE MEMBERS**

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

SPECIFIC DUTIES AND RESPONSIBILITIES

8. **COMPENSATION MATTERS**

8.1 **Compensation of CEO**

The Committee shall:

- (a) review and approve corporate goals and objectives relevant to CEO compensation;
- (b) evaluate the CEO's performance in light of those corporate goals and objectives; and
- (c) either as a Committee or together with other independent directors (as directed by the Board), determine and approve the CEO's compensation level (considering all elements of the compensation package) based on the CEO's evaluation.

8.2 **Non-CEO Compensation Matters**

The Committee shall

- (a) meet with the CEO to discuss goals and objectives of the other senior executives of the Corporation, namely, any executives reporting directly to the CEO or any senior executives of the Corporation having comparable positions (including consultants who perform the services of an officer) as may be specified by the Board (collectively, the "Senior Executives");
- (b) in consultation with the CEO, make recommendations to the Board with respect to Senior Executive compensation;
- (c) make recommendations to the Board with respect to:
 - (i) non-CEO and non-Senior Executive compensation guidelines;
 - (ii) incentive compensation plans;
 - (iii) equity-based plans; and
 - (iv) policies relating to the determination and payment of bonuses.

8.3 **Long-Term Incentives**

In determining the long-term incentive component of the compensation of executive officers (including consultants who perform the services of an office), consider:

- (a) the Corporation's performance and relative shareholder return;
- (b) the value of similar incentive awards to executive officers at comparable companies; and

- (c) the awards given to the executive officers of the Company in past years.

8.4 Review of Bonuses Paid

The Committee will monitor the administration of the Company's executive officer incentive and other compensation related plans, including recommending the number of options to be granted and the time or times when such options shall vest in accordance with the applicable plans.

9. **POLICIES**

9.1 Insider Trading Policy

The Committee shall review, approve and receive regular reports from management with respect to the Company's insider trading policy.

10. **DISCLOSURE AND REPORTING TO THE BOARD**

10.1 Executive Compensation Disclosure

The Committee shall review and recommend to the Board for approval any public disclosure of information relating to the Company's executive compensation, including the disclosure to be included in the Company's information circular.

10.2 Report of the Compensation Committee

The Committee shall prepare and recommend to the Board for approval the report of the Compensation Committee to be included in the Company's information circular.

10.3 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

11. **ANNUAL PERFORMANCE EVALUATION**

On an annual basis, the Committee shall follow the process established by the Nominating and Corporate Governance Committee (if any) of the Board for assessing the performance and effectiveness of the Committee.

12. **CHARTER REVIEW**

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Nominating and Corporate Governance Committee (if any) or the Board, any changes it deems appropriate.

Approved by the Board of Directors on June 24, 2020.