



Compensation & Human Resources Committee Mandate

## PATRIOT ONE TECHNOLOGIES INC.

### Compensation & Human Resources Committee Mandate

1. **Establishment of Compensation & Human Resources Committee:** The Board of Directors hereby establishes a committee to be called the Compensation & Human Resources Committee.
2. **Purposes:** The purposes of the Committee are to:
  - Assist the Board in the development of robust, competitive, and accountable compensation frameworks, capable of attracting and retaining management of the highest caliber;
  - Assist the Board in its risk oversight responsibilities, specifically in regard to risks to business performance associated with compensation frameworks;
3. **Membership:** The Board shall annually appoint a Compensation and Human Resources Committee composed entirely of independent Directors, with members holding office until the close of the annual meeting of Shareholders. The Board may at any time remove or replace a member of the Committee and may fill any vacancy on the Committee that may arise from time to time. A member of the Committee shall cease to be a member if such member ceases to be a Director of the Company.

The CEO shall receive notice of the meetings of the Committee and shall be available to provide information to and advise the Committee as required. The Committee may require the attendance of other officers or employees for the proper performance of its duties.

4. **Responsibilities of the Compensation and Human Resources Committee:** The Committee shall have specific responsibility for the following:
  - (a) **Company Compensation Framework:** Reviewing annually, or as needed, the overall effectiveness and consistency of the Company's compensation framework, as proposed by the CEO (including salary, bonuses and equity-based compensation) with a particular view to ensuring that the framework is competitive, complies with Revenue Canada requirements, is aligned with the Company's objectives and equitably applied across the Company, and reflects the performance appraisal process;
  - (b) **Director Compensation:** Periodically reviewing and making recommendations to the Board with respect to (non-CEO) Director compensation, including incentive-based compensation plans and equity-based plans to ensure that the compensation adequately and realistically reflects the responsibilities of the Directors;
  - (c) **CEO and CFO Compensation:** Annually reviewing and approving of corporate objectives relevant to CEO and CFO compensation, evaluating the CEO and CFO's performance in light of those corporate goals, and making recommendations to the Board with respect to the CEO and CFO's compensation based on this evaluation as comparative industry information;
  - (d) **Senior Management Compensation:** Upon their employment by the Company, review and approve the CEO's proposals for the compensation of direct report Senior Managers;

- (e) **Prepare Reports on Executive Compensation:** Annually prepare or review the report on executive compensation and compensation discussion and analysis require to be disclosed in the Company's information circular or any other compensation matter required to be publicly disclosed by the Company;
- (f) **Benefit Plans:** Periodically review the Company's benefit plans to ensure the appropriateness and industry equivalency;
- (g) **Options:** Oversee the issuance of options;
- (h) **Other named Officers/Employees:** At the Board's request to review the compensation arrangements for and performance evaluation of other names persons holding office/employed by the Company;
- (i) **Succession Planning:** Developing a succession plan for the Company including the CEO, Chair of the Board, and advancing this plan to the Board;
- (j) **Human Resources Process:** Provide oversight to ensure processes and policies are in place to ensure effective management processes regarding discipline, performance review, hiring and training, compensation, and respectful working environment;
- (k) **Leaving Terms:** Considering and approving the terms of any material leaving agreements proposed to be entered between the Company and its Directors, CEO, or Senior Management;
- (l) **Other:** Such other duties and responsibilities as the Board may delegate to it.

## 5. Responsibilities of the Compensation and Human Resources Committee Chair

The Chair of the Committee shall:

- Establish the frequency of meetings of the Committee;
- In consultation with the Company CEO, and management, develop the agenda for the Compensation Committee meetings and circulate it one week in advance;
- Provide leadership to the Committee and preside over the Committee meetings;
- Facilitate the flow of information within the Committee and foster an environment where the members are able to ask questions and express their views;
- Deliver the recommendations of the Committee to the Board and report on material matters arising from the Committee meetings;
- Secure outside consultants or reports as necessary;
- Lead the Committee's annual review of its effectiveness and its performance under the mandate.

## 6. Structure and Operations: The following general provisions shall have application to the Compensation and Human Resources Committee:

- (1) The Committee will meet at least three times per year, and may meet at other times as required;

- (2) The Quorum for meetings of the Committee shall be two members, present in person or by telephone or other telecommunications device that permits all persons participating in the meeting to speak and to hear each other;
- (3) Notice of each meeting of the Committee will be given to each member of the Committee that are entitled to attend the meetings of the Committee;
- (4) No business may be transacted by the Committee except at a meeting of its members at which a Quorum of the Committee is present or by a resolution in writing signed by all members of the Committee;
- (5) Meetings shall be convened by the Committee Chair and shall be supported by written notice of a meeting stating the nature of the business to be transacted at the meeting in reasonable detail and with an agenda and such other papers as may be required from time to time;
- (6) Proceedings of the Committee shall be recorded in minutes; such minutes being made available to Directors who are not members of the Committee.