



COMPENSATION COMMITTEE MANDATE

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Created By: Legal Department

Approved By: Corporate Secretary

1. Purpose and Scope

The primary purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of ABC Technologies Holdings Inc. (the “**Company**”) is to facilitate the Board’s discharge of its responsibilities relating to the evaluation, performance and compensation of the Company’s senior executives. In doing so, the Committee shall exercise the responsibilities and duties set forth below, including but not limited to, determining and making recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer of the Company (“**CEO**”), and reviewing the CEO’s recommendations respecting compensation of the other senior executives of the Company.

2. Membership

Number of Members

The Committee shall be composed of at least two members of the Board, the precise number to be determined from time to time by the Board.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee shall meet as many times as required to carry out its duties and responsibilities. The Committee shall hold *in camera* meetings at each Committee meeting, if the Committee deems necessary.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Minutes: Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

4. Duties and Responsibilities

To fulfil its responsibilities and duties 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 determine the CEO's compensation level based on its evaluation, and recommend for Board of Directors approval such evaluation and compensation;
- (c) review and approve the key terms and conditions of all employment and other agreements, including those dealing with retirement, termination of employment or other special circumstances, between the Company and the CEO;
- (d) review the recommendations to the Committee of the CEO respecting the appointment, compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the CEO and all other officers appointed by the Board of Directors and, if advisable, approve and recommend for Board approval, with or without modifications, any such appointment, compensation and other terms of employment;
- (e) review executive compensation disclosure before the Company publicly discloses this information;
- (f) prepare an annual report for inclusion in the Company's management information circular to shareholders respecting the process undertaken by the Committee in its review and preparing a recommendation in respect of CEO compensation;
- (g) submit a report to the Board on human resources matters, including, without limitation, management succession planning, at least annually;
- (h) administer and interpret the Company's equity compensation arrangements and its policies respecting the grant of equity awards or the sale of shares thereunder, and review and recommend for approval of the Board the grant of awards thereunder and the terms thereof;
- (i) administer and interpret the Company's executive clawback policy;
- (j) administer and interpret the Company's share ownership policy;

- (k) review the Company's pension and retirement arrangements in light of the overall compensation policies and objectives of the company;
- (l) review on a periodic basis the Company's compensation philosophy and terms of and experience with the Company's executive compensation programs for the purpose of determining if they are properly coordinated and achieving the purpose for which they were designed and administered;
- (m) review the Company's compensation programs, practices, plans and specific arrangements to assess their impact on risk-taking, to ensure they do not promote excessive risk-taking in light of the Company's risk tolerance;
- (n) receive periodic reports on the Company's compensation programs as they affect all employees;
- (o) oversee the Company's compliance with any rules promulgated by a regulatory body prohibiting loans to officers and directors of the Company;
- (p) review and assess the adequacy of this Mandate at least annually to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Mandate as considered;
- (q) establish a committee work plan; and
- (r) on a periodic basis, retain the services of a compensation consultant. In selecting a compensation consultant, the Committee should endeavor to consider factors relevant to such consultant's independence from management. The Committee shall approve in advance any other work the consultant performs at the request of management.

The Committee shall have the right to retain or obtain the advice of independent legal counsel and other advisors as it deems necessary in fulfilling its duties and responsibilities under this Mandate.

5. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.