

**HILLCREST ENERGY TECHNOLOGIES LTD.**  
**(the "Company")**

**COMPENSATION, CORPORATE GOVERNANCE & NOMINATING COMMITTEE CHARTER**

**PURPOSE**

The *Compensation, Corporate Governance & Nominating Committee* (the "**Committee**") will work with management and any advisors it sees fit to assist the Board of Directors (the "**Board**") in fulfilling its oversight responsibilities for:

- a. senior executive and director compensation, including compensation philosophy and senior executive programs as well as broadly applicable compensation and benefits programs,
- b. management development and succession planning,
- c. corporate governance policies and principles,
- d. performance reviews of the board, individual directors, board chair, lead director (if any), committee chairs and committees, and
- e. nominations to the board of directors.

**MEMBERSHIP**

The Board shall appoint annually from among its members the Committee to hold office for the ensuing year or until their successors are elected or appointed. The Committee shall be composed of at least three directors, the majority of whom shall be independent as defined in securities laws, rules, regulations and guidelines of applicable securities regulatory authorities, subject to any exemptions or relief that may be provided thereunder, and all of whom have relevant skills and/or experience in the Committee's areas of responsibility as may be required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded.

Subject to the foregoing, the Board may fill any vacancy on, or add additional members to, the Committee.

The Board may from time to time designate one of the members of the Committee to be the Committee Chair and, unless otherwise determined by the Board, the Secretary of the Company shall be the Secretary of the Committee, failing which the Committee can appoint someone to act as secretary who does not have to be a director of the Company.

**MEETINGS AND PARTICIPATION**

- a. The Committee shall meet from time to time as circumstances dictate, but no less than twice annually. The Chair or any two members of the Committee may call a meeting of the Committee. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The agenda will be set by the Committee Chair.

- b. The Committee may invite such officers, directors and employees of the Company as it may see fit from time to time to attend meetings of the Committee and assist in the discussion of the Committee.
- c. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present. A quorum for meetings of the Committee is a majority of its members.
- d. The Committee shall keep minutes of its meetings in which shall be recorded all action taken by it, which minutes shall be approved by Committee members and available as soon as possible to the Board.

## **RESPONSIBILITIES**

In discharging its responsibilities, the Committee shall:

### ***Executive Compensation***

- a. Review and make recommendations to the Board on an annual basis the corporate goals and objectives relevant to CEO and CFO compensation. The Committee shall evaluate at least once a year the CEO and CFO performance in light thereof and, based on such evaluation, shall make recommendations to the Board in respect of the CEO and CFO compensation, including as appropriate, salary, short term incentives and long-term incentives.
- b. Review and make recommendations to the Board with respect to the adoption, amendment and termination of the Company's long term incentive plans (including any option and share equity plans), oversee their administration and discharge any duties imposed on the Committee or the Board by any of those plans.
- c. Assess the competitiveness and appropriateness of the Company's policies relating to the compensation of the executive officers with a view to ensuring that the Company's compensation structures are competitive and motivating in order to attract, hold and inspire senior officers of the Company.

### ***Management Development and Succession Planning***

- a. Work with management to assess and review management's emergency and long-range executive development and succession opportunities.

### ***Board Compensation***

- a. Annually review and make recommendations to the Board a compensation package for members of the Board, the Chair, the Lead Director (if any) and standing and any ad-hoc committee chairs. In considering the Director compensation package, the Committee may take into consideration the relative responsibilities of Directors in serving on the Board and its various committees and in its various roles. The Committee may request that management

report to the Committee periodically on the status of the Board's compensation packages in relation to other similarly situated companies.

Directors who are employees, consultants or executives of the Company shall not be compensated for their services as directors.

#### ***Broadly Applicable Compensation and Benefit Programs***

- a. Review the general design and make-up of the Company's broadly applicable benefit programs as to their general adequacy, competitiveness, internal equity, and cost effectiveness.
- b. Annually review the performance of the Company's pension plans, if any.
- c. Perform other review functions relating to management compensation and human resources policies as the Committee deems appropriate.

#### ***Corporate Governance Principles***

- a. Recommend to the Board corporate governance principles addressing, among other matters, the size, composition and responsibilities of the Board and its committees and the roles of its members, which shall be reviewed not less frequently than annually by the Committee.
- b. Recommend to the Board with respect to changes to the corporate governance principles.

#### ***Performance Reviews of the Board, Committees and Directors***

- a. Evaluate and solicit comments from all directors and report annually to the Board on the assessment of the performance of the Board, individual directors, Chair, Lead Director (if any), committees and committee chairs on an annual basis.

#### ***Nominations to the Board***

- a. Establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience and independence, as well as factors relating to the composition of the board, including its size and structure, the relative strengths and experience of current board members and principles of diversity.
- b. Consider and recruit candidates to fill new positions on the Board.
- c. Review any candidate recommended by the shareholders of the Company.
- d. Conduct appropriate inquiries to establish a candidate's compliance with the independence and other qualification requirements established by the Committee and the Company.
- e. Assess the contributions of current directors in connection with the annual recommendation

of a slate of nominees and at that time review the criteria for candidates for the Board in the context of the evaluation process and other perceived needs of the Board.

- f. Recommend the director nominees for election by the shareholders.

#### ***Structure and Composition of Committees of the Board***

- a. Advise the Board with respect to the charters, structure and operations of the various committees of the Board and qualifications for membership thereon, including policies for the rotation of members among committees of the Board.

#### ***Other Responsibilities and Matters***

- a. Report through its Chair to the Board following meetings of the Committee.
- b. Review annually the adequacy of this Charter and confirm that all responsibilities have been carried out.
- c. Review executive compensation disclosure before the Company publicly discloses that information in the statement of executive income or the Company's information circular, as the case may be.
- d. Review material employee complaints with management related to employment matters that could lead to litigation.

#### **AUTHORITY**

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Committee at the cost of the Company without obtaining approval of the Board, based on its sole judgment and discretion. The Committee shall have the ultimate authority and responsibility to engage and terminate any outside consultant to assist in determining appropriate compensation levels for the CEO, the CFO or other management and to approve the terms of any such engagement and the fees of any such consultant. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company.

#### **EFFECTIVE DATE**

This Charter was approved by the Board of Directors on August 26, 2021.