

## **TERMS OF REFERENCE OF THE GOVERNANCE AND COMPENSATION COMMITTEE**

### **1. PURPOSE**

The Governance and Compensation Committee (the “Committee”) of the Board of Directors of D-BOX Technologies Inc. (the “Corporation”), consisting of a minimum of three independent directors representing the majority of the Committee, is responsible for reporting on certain aspects of the Corporation’s management, as delegated by the Board.

### **1. STRUCTURE AND OPERATIONS**

The Committee members are re-appointed every year by the Board of Directors at the first Board meeting after the Annual General Meeting of Shareholders or at another meeting if a vacancy is created. A member may be removed from office by the Board. The Board also appoints a chair from among the independent directors.

The Board retains full authority and power to perform all legal acts and other actions that are not legally required, or that are required to be carried out by the Corporation’s shareholders or in any other manner.

All Committee members shall act honestly and in good faith in the best interests of the Corporation and shall exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances.

### **2. RESPONSIBILITIES**

In fulfilling its responsibilities, the Committee shall have the following specific responsibilities:

1. Adopt the governance guidelines or principles to be applied to the Corporation, with respect to: (i) the size and membership of the Board; (ii) the orientation of new directors; (iii) arrangements for continuing education of the directors; (iv) compensation for the directors and the terms of their appointments; (v) periodic performance evaluation of the Board, of its committees and of its directors, of these Terms of Reference and of the charter of each Board committee; and (vi) the description of each director’s duties, as well as the competencies and skills that each director should bring to the Board.
2. Monitor adherence to practices and processes by the Board and by management to ensure compliance with applicable legislation and appropriate moral standards, including the adoption of corporate policies and procedures and the adoption of a written code of business conduct and ethics (the “Code”) applying to the directors, officers and employees of the Corporation, containing appropriate standards to discourage misconduct.
3. Identify the main business risks facing the Corporation, and ensure the implementation of appropriate systems and insurance policies to manage those risks. Once per year, the Committee shall review the Corporation’s insurance coverage to ensure that all risks are adequately covered.
4. Recommend candidates for election or appointment to the Board, including the examination of appointments recommended by shareholders.

5. To the extent possible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation so that they may develop a culture of integrity throughout the Corporation.
6. Develop job descriptions for the Chairman of the Board and the chair of each of its committees, as well as a clear description of the CEO position, including a precise delineation of management's responsibilities.
7. Develop and recommend the Corporation's Code of Business Conduct and Ethics, and the updating and management thereof.
8. Adopt processes for succession planning and for the periodic review of the succession plans of key members of senior management, including the Chief Executive Officer ("CEO"); prepare recommendations for the appointment of the Corporation's executive officers and monitor their performance and compensation.
9. Recruit the CEO and recommend to the Board of Directors that he/she be appointed.
10. Recommend, for approval, the compensation paid to managers and directors, including the updating of the options plan, and the granting of options and of consulting agreements to related persons.
11. Any other matter delegated by the Board; and,
12. Report on each and every one of its meetings to the Board, on both an ad hoc and a regular basis.

## **General**

In carrying out its duties and responsibilities, the Committee should exercise due diligence in the monitoring that it performs to avoid fraud or abuse. Consequently, the Committee may carry out reviews, studies and investigations, and may engage the services of legal, financial or other advisors, at the Corporation's expense and at whatever frequency and under whatever terms and conditions the Board deems appropriate.