

MAGNET FORENSICS INC.

COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE CHARTER

Effective Date: December 09, 2020

1. Purpose and Scope

The Compensation, Nominating and Governance Committee (the “**Committee**”) of Magnet Forensics Inc. (the “**Company**”) is a committee of the Board of Directors (the “**Board**”). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

The primary function of the Committee is to assist the Board in fulfilling its responsibilities by: (i) identifying individuals qualified to become members of the Board and recommending to the Board nominees for election as directors at the next annual meeting of shareholders, (ii) reviewing and recommending for Board approval corporate governance policies for the Company, (iii) monitoring compliance with and periodically reviewing the Company’s Code of Business Conduct and Ethics (the “Code”), (iv) discharging the Board’s responsibilities relating to the compensation of the Company’s executive officers, (v) administering the Company’s equity-based compensation plans, and (vi) assisting the Board with respect to management succession and development.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as may be amended or replaced from time to time.

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.

Committee Chair

At the time of the annual appointment of the members of the Committee, the Board may appoint a Chair of the Committee (the “**Committee Chair**”). If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership. The Committee Chair must be a member of the Committee.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

3. Meetings

Frequency of Meetings

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities.

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.

Calling of Meetings

The Committee Chair, any member of the Committee, the Chair of the Board, the Lead Director (if applicable), or the Chief Executive Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee.

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, with such redaction as the Committee considers appropriate in the case of circulation to directors who are executives of the Company. However, the Committee 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, provided that the Chief Executive Officer and other executives may not be present during any voting or deliberations on compensation of the Chief Executive Officer or such other executives, respectively.

Meetings Without Management

As part of each meeting of the Committee, the Committee shall hold an *in camera* session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

Access to Management and Books and Records

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Responsibilities

The Committee shall have the responsibilities set out below as well as any other responsibilities that are specifically delegated to the Committee by the Board which the Board is authorized to delegate by applicable laws and regulations.

In addition to these responsibilities, the Committee shall perform the functions and responsibilities required of a compensation, corporate governance or nominating committee by the Company's governing corporate statute, applicable Canadian securities laws, any exchange upon which securities of the Company are listed, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

Compensation Matters

To fulfil its responsibilities with respect to compensation matters, the Committee shall:

- (a) periodically review and advise the Board (supported in the discretion of the Committee, by internal or external experts) on (i) current trends in industry-wide compensation practices in the Company's industry and such jurisdictions as a material portion of its business is conducted, and (ii) how the Company's compensation programs and practices compare to those of comparable companies in the industry. In discharging this responsibility, the Committee shall take into account factors it deems appropriate from time to time, including the Company's business strategy and whether the effects of the compensation program create risks that are reasonably likely to have a material adverse effect on the Company and its business;
- (b) assist the Board with reviewing the position description of the Chief Executive Officer, including corporate goals and objectives that the Chief Executive Officer has responsibility for meeting, and the basis upon which the Chief Executive Officer is to interact with and report to the Board;
- (c) review and make recommendations to the Board with respect to organizational goals and objectives relevant to Chief Executive Officer compensation, evaluate the Chief Executive Officer's performance in light of those organizational goals and objectives, and make recommendations to the Board with respect to the [Chief Executive Officer's compensation level based on this evaluation;
- (d) at least annually, review policies in the area of management perquisites;
- (e) review and recommend for Board approval, the appointment and other terms of employment (including any severance arrangements or plans and any benefits to be provided in connection with a change in control) for the Chief Executive Officer, including the adoption, amendment and termination of such agreements, arrangements or plans;
- (f) review the recommendations to the Committee of the Chief Executive Officer respecting the appointment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer and all other C-level executives appointed by the Board (collectively "**Senior Management**") and, if advisable, after consideration of the objectives of the Diversity Policy of the Company, make recommendations to the Board with respect to any such appointment;

- (g) review the recommendations to the Committee of the Chief Executive Officer respecting the compensation and other terms of employment (including any severance arrangements or plans and any benefits to be provided in connection with a change in control) of members of Senior Management and, if advisable, make recommendations to the Board with respect to such compensation and other terms of any employment agreements and any severance arrangements or plans;
- (h) periodically review and make recommendations to the Board with respect to succession planning matters concerning the Chief Executive Officer and members of Senior Management, as well as general executive development programs, after consideration of the objectives of the Diversity Policy of the Company;
- (i) review and recommend for Board approval, the remuneration (fees and/or retainer) to be paid, and the benefits to be provided, to members of the Board and each of its committees;
- (j) review and approve any compensation disclosure of the Company before it is publicly disclosed, including disclosure of the process undertaken by the Committee in respect of compensation matters;
- (k) oversee internal controls in the executive compensation process, including supervising controls over gathering information used to determine compensation, establish equity award plans, and grant equity awards;
- (l) review and recommend for Board approval the adoption or amendment of the Company's compensation plans, including any equity-based compensation plans of the Company and make recommendations to the Board with respect to any grants under equity-based compensation plans of the Company;
- (m) oversee the administration of any equity-based compensation and pension and benefit plans of the Company;
- (n) determine the eligibility requirements applicable to participants in the Company's compensation plans as may be required by the terms of a plan and evaluate the performance of each compensation plan, as required under applicable laws, rules or regulations;
- (o) review on a periodic basis the operation of the Company's executive compensation programs to determine whether they are properly coordinated and administered;
- (p) assist the Board with reviewing the Company's approach to human resource management and executive compensation;
- (q) at least annually, review compliance by the executive officers and directors of the Company with the Company's share ownership guidelines, and recommend for approval by the Board any changes to the Company's share ownership guidelines determined to be appropriate; and

- (r) consider the potential risks associated with the adoption of the Company's compensation policies and practices and the adoption of particular organizational and individual objectives under such policies and practices.

Corporate Governance Matters

To fulfil its responsibilities with respect to corporate governance matters, the Committee shall:

- (a) in consultation with the Chair of the Board, ensure that an appropriate system is in place to evaluate the size, composition and effectiveness of the Board (including the extent to which the current composition of the Board reflects a diverse mix of knowledge, experience, skills and backgrounds, including an appropriate number of women directors), as well as the committees of the Board and individual directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working together effectively;
- (b) recommend procedures to ensure that the Board and committees of the Board function independently of management, including recommending to the Board (i) the director nominees to stand for election at the next annual meeting of Company shareholders, and (ii) any candidates for appointment to the Board between annual meeting of Company shareholders, as appropriate;
- (c) annually assess the effectiveness of the senior management appointment process at achieving Company's diversity objectives and consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management;
- (d) recommend to the Board one member of the Board to serve as Chair of the Board and, if applicable, one member of the Board to serve as Lead Director (if applicable) of the Board;
- (e) periodically review and recommend to the Board with respect to succession planning matters concerning the Chief Executive Officer and other key executive officers, and review the recommendations of the Chief Executive Officer respecting the appointment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer, and all other officers appointed by the Board;
- (f) periodically review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a committee thereof;
- (g) establish procedures for, and review and report to the Board on, any Malfeasance Event (as defined below) that could lead to the required disgorgement of any all or a portion of any bonus, incentive-based or equity-based compensation awarded or granted to an executive officer;
- (h) periodically review the mandate of the Board and the charters for each standing committee of the Board, together with the position descriptions of

the Chair of the Board, the Lead Director (if applicable), the chair of each standing committee, and the Chief Executive Officer, to ensure compliance with the Applicable Requirements, and where necessary recommend changes to the Board for approval;

- (i) periodically review the Company's Disclosure Policy, Insider Trading Policy, Diversity Policy, Majority Voting Policy, and similar or other governance policies of the Company (including share ownership guidelines), to ensure compliance with the Applicable Requirements, and where necessary recommend changes to the Board for approval;
- (j) review and assess the adequacy of the Code periodically, but at least annually. The Committee shall recommend any amendments to the Code to the Board for approval. The Code at a minimum shall (i) comply with any requirements established by any regulatory body or any other applicable statute, rule or regulation that the Committee deems relevant, (ii) address conflicts of interest, full and fair disclosure and compliance with laws, (iii) encourage the reporting of any illegal or unethical behaviour and expressly prohibit retaliation of any kind for any such reports or complaints, (iv) provide clear and objective standards for compliance with the Code and a fair process by which to determine waivers or violations thereof, and (v) contain an enforcement mechanism;
- (k) monitor conflicts of interest (real or perceived) of members of the Board and management in accordance with the Code and report to the Board on compliance with, material departures from, and investigations and any resolutions of complaints received under, the Code and approve waivers from the Code as the Committee considers appropriate, and where necessary recommend changes to the Board for approval;
- (l) collaborate with the Company's officers and legal counsel to disclose publicly any amendments to the Code required to be disclosed by any regulatory body;
- (m) consider and, if thought advisable, grant waivers for directors and officers from compliance with the Code. The Committee will disclose any such waiver and specify the circumstances and rationale for granting the waiver in accordance with applicable legal requirements;
- (n) collaborate with the Company's officers and legal counsel and the Audit Committee of the Board to establish procedures for (i) the receipt, retention and treatment of complaints received by the Company, whether through the whistleblower hotline or otherwise, regarding violations of or non-compliance with the Code, (ii) the confidential, anonymous submission by employees of the Company of complaints regarding any such violations or non-compliance, and (iii) the submission to the Audit Committee of any such complaints regarding accounting, internal accounting controls, or auditing matters;
- (o) review, monitor and make recommendations regarding new director orientation and the continuing education of existing directors;

- (p) review and approve any governance disclosure of the Company before it is publicly disclosed;
- (q) oversee the Company's approach to appropriately addressing potential risks related to governance matters;
- (r) review all shareholder proposals submitted to the Company in connection with meetings of shareholders (including any proposal relating to the nomination of a member of the Board) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal;
- (s) establish and review annually, share ownership guidelines for the Board and Senior Management;
- (t) ensure that the Company has an acceptable policy for communications by the Company with its shareholders, the investment community, the media, governments and their agencies, employees and the general public;
- (u) periodically review the charitable donations of the Company; and
- (v) take such other actions regarding the Company's corporate governance that the Committee or the Board shall reasonably deem to be appropriate and in the best interests of the Company and its stakeholders or as shall otherwise be required by any regulatory body.

A "**Malfeasance Event**" shall be determined to have occurred where as a result (or partial result) of the gross negligence, intentional misconduct, fraud or other misconduct or wilful act engaged in by the applicable executive officer(s), the Company is required to publicly issue an accounting restatement of all or a portion of the Company's interim or annual financial statements included in the Company's public disclosure documents, due to material non-compliance with any financial reporting requirement under applicable Canadian securities laws (or the applicable securities laws of any other jurisdiction which the Company may be subject to) or applicable Canadian generally accepted accounting principles (currently International Financial Reporting Standards).]

Nomination Matters

To fulfil its responsibilities with respect to nomination matters, the Committee shall:

- (a) make recommendations to the Board establishing policies and procedures for (i) identifying and selecting potential nominees for the Board, and (ii) considering all nominees to the Board including those recommended by shareholders;
- (b) develop a long-term succession plan for the Board and annually or as required, identify and recruit potential nominees for election or appointment to the Board after considering (i) the results of the Board and director effectiveness evaluation process, (ii) the competencies, skills and other qualities that the Committee considers to be necessary for the Board as a whole to possess, the competencies, skills and other qualities that the Committee considers each existing director to possess, and the

competencies, skills and other qualities each new nominee would bring to the Board, (iii) the amount of time and resources that nominees have available to fulfill their duties as Board members, (iv) the objectives of the Diversity Policy of the Company, and (v) the independence, residency or other requirements under the Applicable Requirements, recommend to the Board the individual nominees for consideration by, and presentation to, the shareholders at the Company's next annual meeting of shareholders or appointment to the Board between such meetings;

- (c) periodically, and not less frequently than annually, undertake an assessment of the independence of the members of the Board and examine the proportion of independent directors on the Board, with a view to determining the impact of the number of independent directors on the effectiveness of the Board and the ability of the Board to act independently of management, and recommend to the Board, if necessary, a reduction or increase in the number of independent directors;
- (d) periodically undertake an examination of the size of the Board and each Board committee, with a view to determining the impact of the number of directors on the effectiveness of the Board and its committees in fulfilling their responsibilities, and recommend to the Board, if necessary, a reduction or increase in the size of the Board or any Board committee;
- (e) annually or as required, recommend to the Board the individual directors to serve on (or to depart from) the standing committees of the Board, after considering (i) the qualifications for membership on each committee, (ii) the extent to which there should be a policy of periodic rotation of directors among the committees, (iii) the results of the Committee and director effectiveness evaluation process, and (iv) the number of boards and other committees on which the directors serve;
- (f) periodically examine and make recommendations to the Board in relation to mechanisms of Board renewal, including a retirement policy or term limits for directors;
- (g) annually (i) assess the effectiveness of the Board appointment/nomination process at achieving the objectives of the Diversity Policy of the Company and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board;
- (h) consider and make recommendations to the Board in relation to resignations of directors pursuant to any Majority Voting Policy of the Company (if adopted) in respect of the election of directors;
- (i) recommend for Board approval the removal of a director from the Board or from a committee of the Board if he or she is no longer qualified to serve as a director under Applicable Requirements or for any other reason the Committee considers appropriate;
- (j) make recommendations to the Board with respect to the appointment of a Chair of each committee, the Chair of the Board, the Lead Director (if

applicable), the Chief Executive Officer and Senior Management of the Company; and

- (k) review and approve any director nomination disclosure of the Company before it is publicly disclosed.

5. Outside Advisors

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and shall have the authority to seek, retain and terminate external legal counsel, consultants, accountants or other advisors from a source independent of management, with notice to either the Chair or Lead Director (if applicable) of the Board or the Chief Executive Officer of the Company, as deemed appropriate by the Committee, to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

6. No Rights Created

This Charter 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.

7. Assessment

The Board shall annually review the Committee's performance and the Committee shall undertake a self-assessment on an annual basis.

8. Charter Review

The Committee shall review and update this Charter annually and present the updated Charter to the Board for approval.