

# VERDE AGRITECH LTD

## COMPENSATION COMMITTEE CHARTER

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This charter governs the operations of the Compensation Committee (the “**Committee**”) of Verde AgriTech Ltd (the “**Company**”). The purpose, composition, responsibilities, and authority of the Committee are set out in this Charter.

This Charter and the Articles of the Company and such other procedures, not inconsistent therewith, as the Committee may adopt from time to time, shall govern the meetings and procedures of the Committee.

### 1. Purpose

The Committee shall provide assistance to the Board of Directors of the Company (the “**Board**”) in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to:

- (a) the establishment of key human resources and compensation policies, including all incentive and equity based compensation plans;
- (b) the performance evaluation of the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the Chief Executive Officer, the Chief Financial Officer and other senior executives of Verde;
- (c) the establishment of policies and procedures designed to identify and mitigate risks associated with the Company’s compensation policies and practices;
- (d) succession planning, including the appointment, training and evaluation of senior management; and
- (e) compensation of directors.

### 2. Composition

The Committee shall be composed of at least three (3) directors of the Company (the “**Members**”), each of whom is “independent” as defined by applicable Canadian laws and regulations as well as the rules of relevant stock exchanges.

All Committee Members will have a working familiarity with compensation and human resources matters and at least one member shall be experienced in executive compensation matters.

Members shall be appointed by the Board and shall serve until they resign, cease to be a director, or are removed or replaced by the Board.

### **3. Authority**

The Committee is authorized to carry out its responsibilities as set out in this Charter and to make recommendations to the Board arising therefrom.

The Committee will be granted unrestricted access to all information regarding Verde that is necessary or desirable to fulfill its duties and all directors, officers, and employees will be directed to cooperate as requested by Members.

In discharging its oversight role, the Committee is empowered to retain, at the Company's expense, independent legal, financial, compensation consulting, and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee must pre-approve any other services such as independent compensation consultant or advisors or any of their affiliates provides to the Company at the request of management.

The Company shall pay directly or reimburse the Committee for the expenses incurred by the Committee in carrying out its responsibilities.

### **4. Responsibilities**

The primary responsibility of the Committee is to oversee the Company's compensation policies and practices. The duties and responsibilities of the Committee as they relate to the following matters are as follows:

- (a) Annually review and approve the performance objectives for the Chief Executive Officer, the Chief Financial Officer and the senior executives and, in the Committee's discretion, recommend any changes to the Board for consideration.
- (b) Annually review and evaluate the performance of the Chief Executive Officer and the Chief Financial Officer in light of pre-established performance objectives and report its conclusions to the Board.
- (c) Annually review the compensation for the Chief Executive Officer and the Chief Financial Officer and, in the Committee's discretion, recommend any changes to the Board for consideration.
- (d) Annually review the Chief Executive Officer's recommendations for the senior executives' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration.
- (e) Review and oversee the administration of the Company's compensation programs, including incentive compensation plans and equity-based plans and the nature of compensation provided under such programs and make recommendations to the Board.
- (f) Ensure compensation policies and practices for the directors, the Chief

Executive Officer, the Chief Financial Officer and the senior executives:

- (i) properly reflect their respective duties and responsibilities;
  - (ii) are competitive in attracting, retaining and motivating people of the highest quality;
  - (iii) align the interests of the directors, the Chief Executive Officer, the Chief Financial Officer and the senior executives with shareholders and the Company as a whole;
  - (iv) are based on established corporate and individual performance objectives;
  - (v) are clearly distinguishable between each other, that is, the structure of non-executive directors' compensation should be distinguishable from that of executive directors and senior executives; and
  - (vi) do not encourage the taking of inappropriate or excessive risks.
- (g) Annually review the Company's succession plan for the Chief Executive Officer, the Chief Financial Officer and senior management, including appointment, training and evaluation.
  - (h) Annually review directors' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration.
  - (i) Review all annual executive compensation disclosure before it is publicly released.
  - (j) Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties.
  - (k) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

## **5. Chair Responsibilities**

The Chair of the Committee shall provide leadership to the Committee to enhance the Committee's effectiveness and ensure adherence to this Charter:

- (a) convene and preside over Committee meetings and ensure they are conducted in an efficient, effective, and focused manner that promotes meaningful discussion;
- (b) assist management with the preparation of an agenda and ensure that meeting materials are prepared and disseminated in a timely manner and are appropriate in terms of relevance, efficient format, and detail; and
- (c) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition

and management of meetings;

- (d) ensure that the Committee has sufficient time and information to make informed decisions; and
- (e) provide leadership to the Committee and management with respect to matters covered by this mandate.

The Committee shall designate one of its Members as chair of the Committee (the “**Chair**”).

The Corporate Secretary of the Company, or the individual designated as fulfilling the function of Secretary of the Company, will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

## **6. Meetings and Proceedings**

The Committee shall meet as frequently as required, but not less than once each year. Any Member may call a meeting of the Committee.

The agenda of each meeting of the Committee will include input from the directors, officers and employees of the Company as appropriate. Meetings will include presentations by management, or professional advisers and consultants when appropriate, and will allow sufficient time to permit a full and open discussion of agenda items.

Forty-eight (48) hours advance notice of each meeting will be given to each Member verbally, by telephone or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call. Any Member may call a meeting of the Committee.

The quorum for each meeting of the Committee is a majority of the Members. The Chair of the Committee shall chair each meeting. In the absence of the Chair, the other Members may appoint one of their number as chair of a meeting. The chair of a meeting shall not have a second or casting vote.

The Committee shall meet *in camera* at each meeting, as necessary, to facilitate full communication.

The Chair of the Committee or his delegate shall report to the Board following each meeting of the Committee.

The Secretary or his delegate shall keep minutes of all meetings of the Committee, including all resolutions passed by the Committee. Minutes of meetings shall be distributed to the Members and the other directors of the Company after preliminary approval thereof by the Chair of the Committee.

## **7. Self-Assessment**

The Committee and the Board shall annually assess the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practices.

The Committee shall review and reassess this Charter at least annually and obtain the approval of the Company's Board for any changes.

Last approved: May 11<sup>st</sup>, 2023

Approved by: Board of Directors