



## COMPENSATION COMMITTEE CHARTER

### **I. PURPOSE**

The primary function of the Compensation Committee is to assist the Board of Directors (the "**Board**") of Defense Metals Corp. (the "**Company**") in discharging its responsibilities relating to the compensation and retention of key senior management consultants and employees, including the Company's executive officers and the members of the Board. The objective of the Compensation Committee will be to ensure the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of Company management of a quality and nature that will enhance the sustainable profitability and growth of the Company. In order to achieve this objective, the Compensation Committee will consider and recommend, as appropriate, the salary, bonus, other benefits, any change-of-control packages, stock option grants and other equity awards to be paid by the Company to its executive officers and to the members of the Board and will review and approve any required executive compensation disclosure.

### **II. COMPOSITION**

- A. The Compensation Committee will be comprised of three or more directors as determined by the Board, a majority of whom will have been affirmatively determined by the Board to be "independent" under:
1. applicable securities laws and regulations, including National Instrument 52-110 – *Audit Committees* ("NI 52-110"); and
  2. the rules and policies of each stock exchange on which the Company's securities are listed for trading, including the TSX Venture Exchange.
- B. The Chairperson of the Committee (the "**Chair**") shall be designated by the Board.

### **III. DUTIES AND RESPONSIBILITIES**

The Compensation Committee will have the following duties and responsibilities which shall be carried out on an annual basis or as more frequently required to give effect to the objectives of this Charter:

#### **A. General**

1. Perform the functions customarily performed by compensation committees and any other functions assigned by the Board.
2. Review and recommend the compensation philosophy and guidelines for the Company, which will include:

- (a) reviewing the compensation philosophy and guidelines for Company executive officers and directors, for recommendation to the Board for its consideration and approval; and
  - (b) reviewing compensation policies and guidelines relating to all consultants and employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.
3. Review management's assessment of compliance with laws, regulations, and disclosure requirements as they relate to the responsibilities outlined in this Charter and the compensation of the Company's executive directors and officers.
4. Oversee the production of an annual report on executive compensation for publication in Company's public disclosure documents.
5. Review and update this Charter periodically, as conditions dictate, taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators and stock exchanges on which the Company's securities are listed and, if appropriate, recommend changes to the Charter to the Board for its approval.
6. Exercise such other powers and duties as delegated to it by the Board.

**B. Chief Executive Officer**

1. Review and recommend to the Board of Directors (i) any required revisions to the position description of the Chief Executive Officer ("CEO"), and (ii) the annual performance goals and criteria for the CEO.
2. Review and assess annually in conjunction with the Board of Directors the performance of the CEO against the pre-set specific performance goals and criteria approved by the Compensation Committee, which the review and assessment will be completed without the involvement or participation of the CEO.
3. Based on the results of the annual review and assessment, make recommendations to the Board as to the compensation package of the CEO, including recommendations as to payment of bonuses and vesting of securities-based compensation.

**C. Non-CEO Officers and Designated Employees**

1. Review the CEO's evaluation of the performance of the other executive officers of the Company (the "**non-CEO Officers**") and other significant consultants and employees appointed or identified by the Board (together with the non-CEO Officers, the "**Designated Employees**") and review the CEO's recommendations with respect to their compensation.
2. Based on the results of the annual review and evaluation, make recommendations to the Board as to the compensation packages of the Designated Employees including recommendations as to payments of bonuses and vesting of securities-based compensation.
3. In consultation with the CEO, review the appointment or discharge of non-CEO Officers.

**D. Evaluation and Compensation Generally**

1. In reviewing and assessing and making recommendations as to the compensation packages of the CEO and each of the Designated Employees, the Committee will consider:
  - (a) the compensation packages of the CEO and the Designated Employees for the prior year;
  - (b) the Company's financial performance and relative shareholder return;
  - (c) the achievement by the Company of its corporate goals in connection with assessing the payment of bonuses and the vesting of securities-based compensation;
  - (d) whether the compensation package reflects an appropriate balance between short and longer-term incentives to improve performance of the Company;
  - (e) the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies; and
  - (f) the awards given to the CEO and Designated Employees in previous years.
2. Review and approve any employment contracts or arrangements to be entered into between the Company and the CEO and any of the Designated Employees, including any retiring allowance arrangements, severance payments or any similar arrangements to take effect in the event of a termination of employment and any change of control agreements.

**E. Compensation of the Board**

Recommend to the Board the terms upon which directors will be compensated and the terms of additional compensation for the Chair of the Board, Lead Director, members and committee chairs of Board committees with the objective of ensuring that the compensation adequately reflects the responsibilities the members of the Board are assuming.

**F. Indemnification of Directors and Officers by the Company**

Subject to applicable law and the constating documents of the Company, administer all policies and practices of the Company with respect to the indemnification of directors and officers by the Company in order to ensure the appropriate indemnification of the directors and officers in accordance with industry practice, including approving all payments made pursuant to such policies and practices.

**G. Employee Benefit Plans**

With respect to the Company's stock option plan and any other similar employee benefit plans made available to the Company's executive officers and directors and within any guidelines established by the Board, the Compensation Committee shall:

1. act as administrator and take up and exercise all such powers as delegated to the Compensation Committee by the Board under the terms of any stock option or RSU plan, or other similar plan;

2. review and make recommendation to the Board as to grants and awards under any stock option or RSU plan or other similar plan, and the specific terms of such grants and awards, including vesting provisions and performance criteria; and
3. suggest and review any amendments that the Committee considers necessary to stock option or RSU plans or similar plans and make recommendations to the Board with respect to those amendments, provided however that all amendments to such plans shall be subject to the consideration and approval of the Board.

#### **IV. COMPENSATION COMMITTEE AUTHORITY AND RESOURCES**

- A. The Compensation Committee has the authority, without further approval of the Board of Directors to:
  1. engage independent legal counsel, compensation consultants and other advisors (each, an "**Independent Counsel**") as it determines necessary to carry out its duties;
  2. set and pay the compensation for any such advisors employed by the Committee, funded by the Company;
  3. communicate directly with external advisors and any other personnel of the Company; and
  4. have unrestricted access to any personnel and documents of the Company relevant to performance of the Committee's duties.
- B. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Independent Counsel retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Independent Counsel retained by the Committee.
- C. Notwithstanding its authority to engage Independent Counsel, the Compensation Committee may select an Independent Counsel to the Compensation Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following:
  1. the provision of other services to the Company by the person that employs the Independent Counsel;
  2. the amount of fees received from the Company by the person that employs the Independent Counsel, as a percentage of the total revenue of the person that employs the Independent Counsel;
  3. the policies and procedures of the person that employs the Independent Counsel that are designed to prevent conflicts of interest;
  4. any business or personal relationship of the Independent Counsel with a member of the Compensation Committee;
  5. any stock of the Company owned by the Independent Counsel; and
  6. any business or personal relationship of the Independent Counsel or the person employing the Independent Counsel with an executive officer of the Company.

- D. Notwithstanding the engagement of an Independent Counsel or the receipt of advice or recommendations from such an Independent Counsel, the Compensation Committee:
1. will in no way be obligated to implement or act consistently with the advice or recommendations of the Independent Counsel; and
  2. will at all times exercise its own judgment in the fulfillment of the duties of the Compensation Committee.

## **V. TERM**

The members of the Compensation Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

## **VI. MEETINGS**

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Compensation Committee members will designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. Notwithstanding the above, in no event will the CEO be present during voting or deliberation on his or her compensation. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and Chief Financial Officer in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

This charter was adopted by the Board effective October 31, 2024.