

## YERBAE BRANDS CORP.

### CHARTER OF THE COMPENSATION COMMITTEE

#### 1. Purpose.

1.1 The compensation committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Yerbae Brands Corp. (the “**Company**”). Its purpose is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation of the Company.

#### 2. Membership.

2.1 The Committee shall consist of three or more directors. Each member of the Committee shall be independent in accordance with National Policy 58-201 - *Corporate Governance Guidelines*.

2.2 The Board shall appoint members of the Committee. The members of the Committee shall be appointed for one-year terms or such other terms as the Board may determine and shall serve until a successor is duly appointed by the Board or until the member's earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all of the Committee's powers so long as a quorum exists.

2.3 A quorum for decisions of the Committee shall be a majority of Committee members.

2.4 The Board shall appoint a chair of the Committee (the “**Chair**”) from the Committee members. Subject to Section 2.2, the Board shall determine the Chair's term of office.

#### 3. Duties and Responsibilities.

3.1 The Committee shall have the following duties and responsibilities:

- (i) review and approve at least annually the corporate goals and objectives of the Company's executive compensation plans, incentive-compensation and equity based plans and other general compensation plans (the “**Company Plans**”), and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate;
- (ii) review at least annually the Company Plans in light of the Company's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of new, or the amendment of existing, Company Plans;
- (iii) evaluate annually the performance of the chief executive officer of the Company, the other executive officers of the Company and the chairman of the Board (collectively, the “**Company Executives**”) in light of the goals and objectives of the Company Plans, and based on this evaluation, set his or her total compensation, including, but not limited to (a) the annual base salary level, (b)

the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance agreements, and change-in-control agreements and provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits, including, but not limited to, perquisites. In determining the long-term incentive component of each Company Executive's compensation, the Committee shall consider all relevant factors, including the Company's performance and relative shareholder return, the value of similar incentive awards to persons with comparable positions at comparable companies, and the awards given to each Company Executive in past years;

- (iv) review at least annually and make recommendations to the Board with respect to the compensation of all directors of the Company, taking into consideration compensation paid to directors of comparable companies and the specific duties of each director;
- (v) monitor and assess the Company's compliance with the requirements established by the rules and regulations of the U.S. and Canadian regulatory authorities and any stock exchange upon which the Company's shares trade from time-to-time and regulations relating to compensation arrangements for directors and executive officers including, if applicable, the Sarbanes-Oxley Act of 2002;
- (vi) review executive compensation disclosure prior to public disclosure or filing with any securities regulatory authorities;
- (vii) issue an annual report on executive compensation for inclusion in the Company's annual report or proxy statement, if required by applicable securities laws;
- (viii) review all equity compensation plans that are not subject to shareholder approval under the rules of any stock exchange on which the Company's securities are listed for trading and to approve such plans in its discretion;
- (ix) oversee the compensation and benefits structure applicable to the Company's officers and directors, including, but not limited to, incentive compensation and equity-based compensation, provided that, at the Committee's sole discretion, it may submit such matters as it determines to be appropriate to the Board for the Board's approval or ratification;
- (x) in its sole discretion, retain, amend the engagement with, and terminate any compensation consultant used to assist the Committee in evaluating any officer or director compensation. The Committee shall also have the sole authority to approve the fees and other retention terms of the consultants and to cause the Company to pay such fees and expenses of such consultants. The Committee shall also have the authority, in its sole discretion, to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of such outside advisors, and to cause the Company to pay such fees and expenses of such outside advisors;

- (xi) administer and otherwise exercise the various authorities prescribed for the Committee by the Company's stock option and other incentive compensation plans;
- (xii) review and recommend to the Board for approval any changes in employee retirement benefit programs, and review broadly employee salary levels and ranges and employee fringe benefits;
- (xiii) review and make recommendations to the Board, or approve, as appropriate, any employment-related contracts or transactions with any proposed, current or former officers or directors of the Company, such as consulting arrangements, employment contracts, severance, separation or termination agreements;
- (xiv) monitor compliance by executive officers with the rules and guidelines of the Company's incentive compensation and equity-based compensation programs;
- (xv) obtain such data or other resources as it deems necessary to perform its duties, including but not limited to obtaining external consultant reports or published salary surveys, and engaging independent compensation consultants and other professionals to assist in the design, formulation, analysis and implementation of compensation programs for the Company's executive officers and other key employees;
- (xvi) perform any other activities as the Committee deems appropriate, or as are requested by the Board, consistent with this Charter, the Company's Bylaws and applicable laws and regulations;
- (xvii) report to the Board on Committee recommendations and any other matters the Committee deems appropriate or the Board requests;
- (xviii) maintain minutes and other records of meetings and activities of the Committee; and
- (xix) review and reassess the performance of the Committee and the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.

#### **4. Outside Advisors.**

4.1 The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant.

4.2 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors.

4.3 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors.

4.4 [The compensation consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) shall be independent as determined in the discretion of the Committee after considering the following factors:

- (i) provision of other services to the Company by the person that employs the consultant, counsel or other advisor;
- (ii) the amount of fees paid by the Company to the person that employs the consultant, counsel or other advisor, as a percentage of that person's total revenue;
- (iii) policies and procedures of the person that employs the consultant, counsel or other advisor that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship between the consultant, counsel or other advisor and any member of the Committee;
- (v) ownership by the consultant, counsel or other advisor of the Company's shares; and
- (vi) any business or personal relationship between the consultant, counsel or other advisor, or the person employing the advisor, and any executive officer of the Company.

4.5 The Committee may retain, or receive advice from, any compensation advisor that it may prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favour of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.]

4.6 The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest. [Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation shall not be retained by the Company for any compensation or other human resource matters/The Committee must pre-approve any services to be provided to the Company, its affiliates or its directors or management by a compensation consultant that has been retained by the Committee].

## **5. Structure and Operations.**

5.1 The Committee shall meet at least four times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), resolutions in writing in lieu of a meeting, notice, waiver of notice and voting requirements as are applicable to the Board.

5.2 A meeting of the Committee may be convened by the Board or any member of the Committee who requests a meeting. Notice of every meeting shall be given to each member of the Committee. [At least seven days' notice of a meeting is required, unless such notice is waived or shortened with the consent of all members of the Committee.]

5.3 The Committee may invite such directors, officers and employees of the Company to its meetings as it deems appropriate to assist the Committee with the fulfilment of its duties and responsibilities. However, the Committee shall meet regularly without such members present, and in all cases the Chief Executive Officer and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

5.4 At each meeting, the Committee may appoint an individual to act as secretary for the meeting (the "**Secretary**"). The Secretary shall circulate the minutes of meetings of the Committee to members of the Committee.

5.5 The Committee shall approve and retain minutes of all Committee meetings. The powers of the Committee may be exercised by written resolution signed by all of the members of the Committee.

5.6 The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

## **6. Delegation of Authority.**

6.1 The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

## **7. Performance Evaluation.**

7.1 The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

## **8. No Rights Created.**

8.1 This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While the Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.