

**DECISION DYNAMICS TECHNOLOGY LTD.**  
("Corporation")

**CORPORATE GOVERNANCE COMMITTEE AND COMPENSATION AND HUMAN  
RESOURCES COMMITTEE - TERMS OF REFERENCE**

Due to the small number of independent Directors, the Corporation has combined the Corporate Governance and Compensation Committees into one committee. It is expected that as the Corporation grows, and the demand placed on the directors expands that this committee will divide into the two functional committees outlined below.

**CORPORATE GOVERNANCE COMMITTEE**

**A. Philosophy**

1. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation.
2. The Corporation's approach to corporate governance should address all issues identified by securities regulators and any additional issues as they arise by virtue of the operations and growth of the Corporation itself or as being emerging, progressive issues of corporate governance.

**B. Composition**

1. The Committee will be comprised of no less than three outside directors of the company, who are independent of the management of the Corporation, not employed by the Corporation, and are free of any relationship that would interfere with their exercise of independent judgment as a committee member.
2. The Board will appoint the Committee annually, for a one year term.
3. The number of terms to be served by directors on the Committee will be determined by the Board giving consideration to the benefits of periodic rotation of Committee membership.
4. One of the members will be appointed Chairman of the Committee by the Board.
5. The Committee may periodically ask appropriately qualified persons (who may include persons from management of the Corporation) to act as ex-officio, non-voting participants in meetings of the Committee.
6. With the approval of the Board, the Committee may retain persons having special expertise to assist the Committee in fulfilling its responsibilities.

**C. Responsibilities**

1. Management will prepare and the Committee will review and approve the Corporation's response to applicable securities laws or stock exchange rules when required, and explaining as required any differences between the Corporation's governance system and policies and the recommended governance standards by securities regulators.
2. Developing and monitoring the Corporation's general approach to corporate governance issues as they may arise.

3. Proposing changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and endeavor to ensure that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness.
4. Endeavor to ensure that all members of the Board have been informed of and are aware of their duties and responsibilities as a Director of the Corporation.
5. Endeavor to ensure that the Corporation has in effect adequate policies and procedures to allow the Corporation to meet all of its continuous disclosure requirements.
6. Endeavor to ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal risks of the Corporation's business.
7. Developing and monitoring the Corporation's policies relating to trading in securities of the Corporation by insiders as well as corporate disclosure and confidentiality.
8. Annually reviewing areas of potential personal liability of Directors and endeavor to ensure reasonable protective measures are in place.
9. Causing the Board to annually review the definition of an "independent" Director prescribed by securities regulators.
10. Annually reviewing the mandate of the CEO.
11. Periodically considering the need for special policies of the Corporation, initiated by the Board of Directors, in unique or emerging policy areas such as corporate ethics, gender equality, sexual harassment, or environmental practices.

**D. Meetings**

1. The Committee will meet at least once per year. Meetings may be by telephone conference call if this is deemed appropriate. The meetings will be scheduled to permit timely consideration of topics or responsibilities. Additional meetings may be held as deemed necessary by the Chairman of the Committee, or as requested by any member of the Committee.

**E. Reporting**

1. Report, through the Chairperson of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee.
2. Report annually to the Board on the Committee's responsibilities and how it has discharged them.
3. Review the Committee's Terms of Reference annually and propose recommended changes to the Board.

**COMPENSATION AND HUMAN RESOURCES COMMITTEE**

**COMPOSITION AND PROCESS**

The Compensation Committee shall be composed of up to three members of the Board of Directors, the majority of whom shall be independent outside directors.

Members shall serve one year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.

The Chairperson shall be a director appointed by the Board of Directors for a one year term, and may serve any number of consecutive terms.

The Chairperson shall, in consultation with management and the members of the Compensation Committee, establish the agenda for the meetings and endeavor to ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.

The Compensation Committee shall meet at least once per year and may call special meetings as required. A quorum at meetings of the Compensation Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Compensation Committee may hold its meetings, and members of the Compensation Committee may attend meetings, by means of teleconference.

The minutes of the Compensation Committee meetings shall accurately record the decisions reached and shall be distributed to Compensation Committee members with copies to the board and the Chief Financial Officer.

## **AUTHORITY**

Appointed by and report to Board of Directors

## **RESPONSIBILITIES**

To review and recommend to the Board of Directors on the following matters:

- Compensation policies and guidelines for supervisory and management personnel of the parent and subsidiary companies;
- Salary and benefit levels for the senior officers;
- Corporate benefits (car, life insurance, retirement plan etc.);
- Bonuses and other incentives, including stock options;
- Evaluation of the performance and compensation of the Chief Executive Officer;
- Compensation levels for members of the Board of Directors, as well as for committee membership;
- Succession plan for the CEO and for key employees of the Corporation;
- Issues that arise in relation to any employment contracts in force from time to time; and
- Any material changes in human resources policy, procedure, compensation and benefits.

## **REPORTING**

Report, through the Chairperson of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee.

Report annually to the Board on the Committee's responsibilities and how it has discharged them.

Review the Committee's Terms of Reference annually and propose recommended changes to the Board.