



**KELSO TECHNOLOGIES INC.**

**CHARTER OF THE COMPENSATION COMMITTEE**

**Amended and Restated by the Board of Directors on August 10, 2022;  
reviewed and ratified by the Board of Directors on June 3, 2025**

**Purpose**

The Compensation Committee of Kelso Technologies Inc. (the "Corporation") generally assumes responsibility for making recommendations to the Board of Directors of the Corporation (the "Board") on all matters relating to the compensation of directors, members of the various committees of the Board, the Chair of the Board, officers and employees of the Corporation, as more specifically delineated in the responsibilities of the Compensation Committee set forth below. For the purposes of its mandate, the Compensation Committee will review all aspects of compensation paid to the directors, committee members, the Chair of the Board, management and employees of other railroad equipment companies to ensure that the Corporation's compensation programs are competitive, and that the Corporation is in a position to attract, motivate and retain high-caliber individuals.

**Compensation**

The Compensation Committee will be comprised of at least three directors, all of whom will be "independent directors" in accordance with applicable legal requirements, including currently the requirements published by the Canadian Securities Administrators under NP 58-201 "Corporate Governance Guidelines" and the applicable SEC rules of a registered issuer. Each member will have skills and/or experience which are relevant to the mandate of the Committee.

The Committee members will be appointed annually at the first meeting of the Board following the annual general shareholders meeting.

The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board. Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full membership of the Committee.

Any Chairperson, either appointed by the Board or designated by a majority of the Committee, shall not serve in such capacity for more than three (3) consecutive terms, unless the Board, in its sole discretion, determines to extend the term of any Chairperson for one (1) additional year.

**Responsibilities**

Responsibilities and powers of the Compensation Committee generally include, but are not restricted to undertaking the following:

- Monitoring and evaluating the performance of the President and Chief Executive Officer and other members of senior management.
- Annually reviewing and making recommendations to the Board upon the recommendation of members of senior management with respect to the Corporation's overall compensation and benefits philosophies and programs for employees, including base salaries, bonus and incentive plans, deferred compensation and stock option and/or restricted share rights. As part of its review process, the Compensation Committee will review peer group and other railroad equipment industry compensation data reported through surveys and other sources.
- Annually reviewing and making recommendations to the Board with respect to the Corporation's compensation and benefit programs for the President and Chief Executive Officer and other senior officers of the Corporation including base salaries, bonuses or other performance incentive, stock options and/or restricted share rights. In setting the President and Chief Executive Officer's salary, the Compensation Committee will take into consideration salaries paid to chief executive officers in the railroad equipment industry. The Committee will review and approve corporate goals and objectives relevant to the President and Chief Executive Officer on an annual basis. The President and Chief Executive officer's contribution towards the Corporation's achievement of corporate goals and objectives for the previous financial year will form the basis for the Compensation Committee's recommendations concerning bonus or other performance recognition awards.
- Reviewing and making recommendations to the Board with respect to the implementation or variation of stock option or restricted share rights plans, share purchases plans, compensation and incentive plans and retirement plans. Further, the Compensation Committee will ensure proper administration of the Corporation's existing share incentive plans, including the granting or making recommendations with respect to the granting of options or restricted share rights. The number of options granted or restricted share rights issued will give consideration to the potential contribution an individual may make to the success of the Corporation.
- Engaging and compensating (for which the Corporation will provide appropriate funding) any outside advisor that the Committee determines to be necessary to permit it to carry out its duties.
- Annually evaluating the performance of the Committee.
- The Compensation Committee will provide an annual report on executive compensation to the shareholders of the Corporation under Form 51-102F6 in the Management Information Circular prepared for the annual and general meeting of the shareholders, or any other disclosure documents, or on the Corporation's website.

## **Meetings**

The Committee shall meet as frequently as necessary in order to fulfill the mandate/responsibilities described above and in any event at least once annually and shall provide a report of the meeting to the Board at the next Board meeting. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any two members.

These meetings may be with representative or appropriate members of management, all either individually or collectively as may be required by the Chair of the Committee.