



**SANGOMA TECHNOLOGIES CORPORATION**  
**(the “Corporation”)**

**COMPENSATION AND NOMINATING COMMITTEE**  
**CHARTER**

**1. PURPOSE**

The overall purpose of the Compensation and Nominating Committee (the “**Committee**”) of the Corporation is to develop and monitor the Corporation’s approach to the compensation of officers of the Corporation and to develop and monitor the Corporation’s approach to the nomination of directors to the board of directors of the Corporation (the “**Board**”).

**2. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least two members of the Board, all of whom shall be, in the determination of the Board, “independent” (as that term is defined by National Policy 58-201 – *Corporate Governance Guidelines*, as amended from time to time) and comply with all other applicable securities laws, regulations, rules and stock exchange requirements.
2. The Board, at its organizational meeting held in conjunction with each annual meeting of shareholders, shall appoint the members of the Committee (the “**Members**”) for the ensuing year. The Board may at any time remove or replace any Member and may fill any vacancy in the Committee. Any Member ceasing to be a director shall cease to be a Member. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee and will be filled by the Board if the membership of the Committee falls below two directors.
3. Unless the Board shall have appointed a chair of the Committee, the Members shall select a chair from amongst their number. The chair shall be “independent” and shall not have a second, or casting, vote in addition to the chair’s initial vote.
4. The Committee shall have access to such officers and employees of the Corporation, the Corporation’s external auditors and its legal counsel, to separate legal counsel and other advisors such as compensation consultants (at the Corporation’s expense) and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee may select,



or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- (i) the provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other advisor;
  - (ii) the amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
  - (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
  - (iv) any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
  - (v) any stock of the Corporation owned by the compensation consultant, legal counsel or other advisor; and
  - (vi) any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Corporation.
5. The Committee shall meet at such times and at such locations as the chair of the Committee shall determine. Any Member may request a meeting of the Committee.
6. The chair of the Committee will be responsible for developing and setting the agenda for Committee meetings and determining the time, place and frequency of Committee meetings, provided that any two members of the Committee may call a Committee meeting.
7. Notice of the time and place of every Committee meeting will be given verbally or in writing to each Member and to the Chief Executive Officer and the Chief Financial Officer at least 24 hours prior to the time fixed for such meeting.
8. A majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all Members or at a Committee meeting at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other

simultaneously and instantaneously. At Committee meetings, Committee actions shall require approval of a majority of Committee members.

9. The Committee may invite any directors, officers and employees of the Corporation and any advisors as it sees fit from time to time to attend Committee meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Committee, provided that the Chief Executive Officer of the Corporation may not be present during any portion of a Committee meeting in which any deliberation or vote regarding his or her compensation occurs. The Committee will meet in camera at each meeting.

3. **THE DUTIES OF THE COMMITTEE AS SET OUT IN THE CHARTER FOR THE COMPENSATION AND NOMINATING COMMITTEE ARE AS FOLLOWS:**

- (a) to develop and monitor the Corporation's overall approach to compensation issues and, subject to approval by the Board, to implement and administer a system of compensation which reflects superior standards of compensation practices and to continue to develop the Corporation's approach to compensation issues;
- (b) to undertake an annual review of compensation issues and practices as they affect the Corporation and make a comprehensive set of recommendations to the Board during each calendar year;
- (c) to advise the Board or any committees of the Board of compensation issues which the Committee determines ought to be considered by the Board or any such committee;
- (d) to recommend to the Directors human resources and compensation policies and guidelines;
- (e) to ensure that the Corporation has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the Chief Executive Officer in this regard;
- (f) to develop a position description for the chair of the Committee and to periodically review and, if necessary, update such position description;
- (g) to develop a position description for the Chief Executive Officer and to ensure that policy guidelines and systems are in place to provide for a comprehensive annual review of the performance of the Chief Executive Officer;

- (h) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and to evaluate the Chief Executive Officer's performance in light of these goals and objectives;
- (i) to set the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and all executive officers, provided that the Chief Executive Officer may not be present during voting or deliberations on his or her compensation;
- (j) to review periodically the adequacy and form of the compensation of the directors of the Corporation with a view to ensuring that such compensation realistically reflects the responsibilities and risks of being a director;
- (k) to implement and administer human resources and compensation policies approved by the directors concerning the following:
  - (i) executive compensation, employment and related contracts, stock option plans, deferred share plans and other incentive and equity-based plans; and
  - (ii) proposed personnel changes involving officers reporting to the Chief Executive Officer;
- (l) from time to time to review with the Chief Executive Officer, the Corporation's broad policies on compensation for all employees and overall labour relations strategies;
- (m) to consider any other questions or matters of compensation referred to it by the directors;
- (n) to develop and implement a process for assessing the effectiveness of the compensation policies and practices of the Corporation and to report and make recommendations to the Board thereon;
- (o) to adopt a process to determine what competencies and skills the Board, as a whole, should possess given the nature of the business of the Corporation;
- (p) to assess the competencies and skills of each existing director, with a view to assessing the Board as a whole for the purpose of, in part, facilitating effective decision making by the Board;
- (q) to identify and recommend qualified individuals to become new members of the Board, giving due consideration to:



- (i) the competencies and skills that the board considers to be necessary for the Board, as a whole, to possess;
  - (ii) the competencies and skills that the Board considers each existing director to possess; and
  - (iii) the competencies and skills each new nominee will bring to the boardroom;
- (r) to report annually to the Corporation's shareholders, through the Corporation's annual management proxy circular to shareholders, on the Corporation's approach to compensation and to review executive compensation disclosure before the Corporation publicly discloses such information;
- (s) to review and assess the Committee's performance, effectiveness and contribution, including an evaluation of whether this Charter appropriately addresses the matters that are and should be within its scope. The Committee will conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board, including any recommended changes to this Charter and to the Corporation's policies and procedures; and
- (t) to recommend the slate of directors to be nominated for election at the annual meeting of shareholders.

#### **4. OTHER COMPENSATION AND NOMINATION MATTERS**

In addition, the Board may refer to the Committee such other matters and questions relating to compensation and nomination as the Board may from time to time see fit.

#### **5. ACCESS TO PERSONNEL & INFORMATION**

The Committee shall have access to such officers and employees of the Corporation, the Corporation's independent auditors and its legal counsel, to separate legal counsel and advisors and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities.

#### **6. DIRECTORS MAY REQUEST MEETING**

Any Director of the Corporation may request the chair of the Committee to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such Director, and may participate in such meeting to the extent permitted by the chair of the Committee.

