



CORPORATE GOVERNANCE GUIDELINES

The following guidelines have been approved by the Board of Directors (the “**Board**”) of BTQ Technologies Corp. (the “**Corporation**” or “**BTQ**”) and, together with the charters of the Board committees, provide the framework for the Corporation’s corporate governance. The Nomination and Governance Committee will review these guidelines and other aspects of the Corporation’s corporate governance periodically.

Board and Management Roles

The Corporation’s employees and officers conduct the Corporation’s business on a day-to-day basis, under the direction of the Corporation’s Chief Executive Officer (the “**CEO**”). The chair of the Board (the “**Board Chair**”) is nominated by the Corporation’s Nomination and Governance Committee and appointed by the Board. The Board, which is elected by the Corporation’s shareholders, oversees management and seeks to assure that the long-term interests of the shareholders are served. Both the Board and management recognize that the shareholders’ long-term interests are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, partners, government agencies and the public at large.

Board Functions and Responsibilities

Functions of the Board and its committees in addition to those set out in these guidelines are specified in the Board Mandate and the charters of the Board committees. In addition, directors are expected to comply with all other corporate governance policies and guidelines adopted by the Corporation and applicable to the Corporation’s directors. The Board recognizes that its actions set the tone for ethical business conduct by the Corporation’s officers and employees.

Matters Requiring Board Approval

Certain responsibilities of the Board are sufficiently important to warrant the attention of the Board and, accordingly, are not delegated or are only delegated in a qualified or partial manner, including, other than as required by law:

- (a) submitting to Shareholders any matter requiring their approval;
- (b) filling vacancies among the directors or appointing additional directors;
- (c) approving borrowing and hedging;
- (d) authorizing BTQ to issue debt or equity securities, declare dividends, or purchasing the Corporation’s own shares;
- (e) approving prospectuses, if any;
- (f) approving continuous disclosure documents which are “core” documents including annual and interim financial statements, the related management’s discussion and analysis and press releases related thereto, the annual information form, and management information circulars;
- (g) adopting or amending articles;
- (h) establishing a process to adequately provide for management and director succession and, from time to time, reviewing succession plans;
- (i) maintaining an understanding of the boundaries between the respective responsibilities of the Board and management and establishing limits on the authority delegated to management;

- (j) directing management to implement systems that are designed to ensure that BTQ operates within applicable laws and regulations, and to the highest ethical and moral standards;
- (k) satisfying itself as to the business and professional integrity of the CEO and other senior executives, as well as the CEO's leadership in the creation of a culture of integrity throughout the Corporation; and
- (l) with the assistance of reports and/or recommendations of the Compensation Committee:
 - (i) appointing the CEO and appointing and approving the remuneration of other senior executives comprising the senior management team, and providing them with advice and counsel in the execution of their duties;
 - (ii) monitoring and evaluating the performance of the CEO and other senior executives;
 - (iii) approving employment agreements, severance arrangements and change in control agreements and provisions relating to senior executives; and
 - (iv) approving adoption of equity compensation plans, stock option grants and short-term and long-term incentive plan criteria, targets and awards.

Board Committees

The Board has established the following committees to assist the Board in discharging its responsibilities and to function more effectively:

- Audit Committee;
- Compensation Committee; and
- Nomination and Governance Committee.

The current charters of these committees are available on the Corporation's website at www.btq.com, and will be mailed to shareholders on written request. Each Committee will function according to a written charter, approved by the Board. The Nomination and Governance Committee reviews, periodically and in consultation with the Board Chair and the CEO, the composition of the Board, the Board committees, committee chairs, and adequacy of the charters and recommend any necessary changes to the Board for approval.

Board Composition

Size of Board

The Board is composed of a single class of directors, with shareholders annually electing directors to serve one-year terms. The Nomination and Governance Committee shall assist the Board in assessing the appropriate size of the Board with a view to facilitating effective decision-making, within a range specified in the Corporation's charter documents.

Term Limits

The Board has determined that fixed term limits for directors should not be established and that Board renewal is the primary focus. The Board is of the view that such a policy would have the effect of forcing directors off the Board who have developed, over a period of service, increased insight into the Corporation and who, therefore, can be expected to provide an increasing contribution to the Board. At the same time, the Board recognizes the value of some turnover in Board membership to provide ongoing input of fresh ideas and views and annually considers changes to the composition of the Board.

Director Selection Process

The Board, following the receipt of recommendations from the Nomination and Governance Committee, proposes for each annual shareholder meeting nominees for election to the Board. If vacancies arise between annual shareholder meetings, the Nomination and Governance Committee considers potential

director candidates and may recommend to the Board for approval the election of directors to serve until the next annual meeting of shareholders.

The Committee may use a variety of methods for identifying and evaluating director nominees. Candidates may come to the attention of the Committee through current Board members, professional search firms, shareholders or others.

Director Qualifications

The Board's objective is to select individuals with education, experience and skills necessary to effectively oversee and provide guidance to management with respect to the operation of the business. Because the experiences and advice of those businesses facing similar issues is of particular value, current and former senior officers of other major corporations are desirable nominees.

In identifying candidates to recommend to the Board, the Nomination and Governance Committee will consider the education, business, governmental and civic experience, communication and interpersonal skills, the diversity of the existing board and the background of the potential candidate, as well as any other matters which are relevant to the Corporation's strategy and objectives. The Nomination and Governance Committee will also take into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, geographic residence and origin.

All directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the Shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment, outstanding ability in their individual fields of expertise and a willingness to devote necessary time to Board matters.

Each member of the Audit Committee must be financially literate, as determined by the Board, and be able to read and understand fundamental financial statements, including the Corporation's balance sheet, income statement, and cash flow statement. Additionally, at least one member of the Audit Committee must have accounting or related financial management expertise, as determined by the Board. A person who is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K may be presumed to have accounting or related financial management expertise.

Director Independence

A majority of the Board shall be composed of directors who are independent in accordance with applicable securities law, stock exchange requirements and other applicable law.

To be considered independent under Cboe Canada and the Nasdaq Stock Exchange standards and applicable securities laws, the Board must determine that a director does not have any direct or indirect material relationship with the Corporation and that the director qualifies as an independent director under Cboe Canada and the Nasdaq Stock Exchange independence criteria. For relationships not covered by these criteria, the determination of whether the relationship is material or not, and therefore whether the director would be independent, will be made by the directors who satisfy the independence guidelines.

The direct or beneficial ownership by a director, or an immediate family member of a director, of 10% or less of the Corporation's outstanding common stock will not be considered a material relationship that would impair the director's independence.

The Board will annually review all relationships of directors with the Corporation. The Board's independence determinations will be publicly disclosed annually prior to the Corporation's annual shareholders meeting at which directors are elected if required pursuant to applicable Cboe Canada or Nasdaq Stock Exchange rules.

Board and Committee Operations

The Board and Committees shall comply with the following policies and procedures with respect to their operations:

Attendance

Directors are expected to attend all meetings of the Board and each committee on which he or she sits. If a director fails to attend at least 75% of the Board and relevant committee meetings in a year, the Committee will consider whether, in the absence of extenuating circumstances, such director should be recommended to the Board for nomination for re-election to the Board.

Frequency of Meetings

The Board shall meet as frequently as needed for the directors to diligently discharge their responsibilities.

Conduct of Meetings

Board and committee meetings shall be conducted in a manner which facilitate open communication, meaningful participation and timely resolution of issues.

Agenda for Board and Committee Meetings

The Board Chair and the CEO shall propose an agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. The chair of each committee of the Board in consultation with committee members and appropriate members of management shall develop agendas for committee meetings.

Materials Distributed in Advance of Meetings

Meeting materials will be distributed to members of the Board before each Board meeting, in sufficient time to ensure adequate opportunity for review. Under some circumstances, due to the confidential nature of matters to be discussed at the meeting, it may not be prudent or appropriate to distribute materials in advance.

Non-Directors at Board Meetings

The Board believes there is value in having certain members of senior management and external advisors attend each Board meeting to provide information and opinion to assist the directors in their deliberations. Attendance by senior management and external advisors will be determined by the Board Chair in consultation with the CEO where appropriate.

Management and, if determined by the Board Chair's external advisor, attendees will be excused for any agenda items that are reserved for discussion among directors only.

In-Camera Sessions

The non-management directors will hold in-camera sessions in conjunction with every regular meeting of the Board, at which management directors and other members of management are not in attendance.

The independent directors will hold in-camera sessions, in the absence of non-independent directors at least once per year.

Participation on Committees and Member Independence

All members of the Audit Committee, all members of the Compensation Committee, and all members of the Nomination and Governance Committee must be independent, subject only to the Board claiming an available exemption under applicable securities laws and stock exchange requirements. The majority of the members of other committees must be independent directors. The Board will endeavour to limit a director's participation to three committees in order to enable the director to give proper attention to each committee, as well as to the Board.

Board, Committee and Director Evaluations

The Nominating and Governance Committee will facilitate periodic assessment of the overall performance and effectiveness of the Board, its committees and individual directors, including the Board and committee chairs. The Committee will report on such assessments to the Board. The Committee will be responsible for establishing the evaluation criteria and implementing the process for such evaluations.

The Board will, after receiving the report of the Nominating and Governance Committee, meet to discuss the results. The objective of the assessments is to maintain the continued effectiveness of the Board as a whole, each committee, and each individual Board member (including the Board Chair), in the execution of their responsibilities and to contribute to a process of continuing improvement.

Other Directorships

The Board values the knowledge, experience and perspectives of directors who sit on boards of other publicly traded companies provided they do not interfere with the commitment to the Corporation. Directors are required to notify the Board Chair and the chair of the Nominating and Governance Committee prior to accepting any new directorship. The Committee will review and consider any potential conflicts as well as any resulting inter-locks with two or more directors of the Corporation serving together on the Board of another publicly traded company.

No member of the Audit Committee of the Corporation may serve simultaneously on the audit committee of more than two other public companies without the prior approval of the Board.

Confidentiality

Directors have an obligation to protect and keep confidential all the Corporation's non-public information unless the Corporation has authorized public disclosure or unless otherwise required by applicable law. Confidential information includes all non-public information entrusted to or obtained by a director by reason of his or her position on the Board. This includes information regarding the Corporation's strategy, business, finances, and operations, and will include minutes, reports, and materials of the Board and committees, and other documents identified as confidential by the Corporation as well as Board and Board committee communications and discussions.

The obligations described above continue even after service on the Board has concluded. Directors may not use such confidential information for personal benefit or to benefit other persons or entities other than the Corporation. Unless authorized by the Corporation or applicable law, directors will refrain from disclosing confidential information to anyone outside the Corporation.

Nothing contained in the Code of Ethics, or any confidentiality policy of the Corporation, limits the Corporation's directors, officers, employees and others in possession of material non-public information to file a charge or complaint with a governmental regulatory agency in the United States and nothing herein limits their ability to communicate with any such agencies or otherwise participate in any investigation or proceeding that may be conducted by any such agency, including providing documents or other information, without notice to the Corporation. Ethics and Conflicts of Interest

The Board has adopted a Code of Ethics which it will review periodically. The Board expects the Corporation's directors, as well as executive officers, employees, consultants, contractors, and agents to act ethically at all times and to acknowledge their adherence to the policies comprising the Corporation's Code of Ethics. In the event of a potential conflict of interest, a director is required to disclose his or her interest to the Board and to refrain from voting in respect of such matter.

Board Compensation

The Board members should be compensated in a form and amount that is appropriate, having regard to such matters as time commitment, responsibility and trends in director compensation. The Board, based upon recommendations of the Compensation Committee, will periodically review the adequacy and form of directors' compensation, including compensation of the Board Chair and committee chairs, to confirm that it is competitive with companies that are similarly situated and realistically reflects the responsibilities and risks involved in being a director. Management directors will not receive additional compensation for Board service.

To more closely align the interests of directors and the Shareholders, the directors will be eligible to participate in the Corporation's stock option plan or other equity incentive plans under which directors are eligible to receive stock options and other equity incentives.

Director and Management Succession Plans

The Board, in conjunction with the Nomination and Governance Committee, is responsible for establishing a process to adequately provide for director succession and, from time to time, reviewing management succession plans.

Director Access to Senior Management

Non-employee directors are encouraged to contact directly the Corporation's senior managers, either alone or with other members of senior management present. The Board believes there is value in having certain members of senior management attend each Board meeting to provide information and opinion to assist the directors in their deliberations. The Board may invite others to attend any part of any meeting as it deems appropriate. This includes members of management, any employee, the Corporation's legal counsel, external auditors and consultants. Management attendees will be excused for any agenda items that are reserved for discussion among directors only.

Board and Committee Access to Independent Advisors

In fulfilling their duties, the Board and its committees have the right at any time to retain independent outside financial, legal or other advisors at the Corporation's expense.

Director Orientation and Continuing Education

The Board, with the assistance of the Nominating and Governance Committee, will oversee an appropriate director orientation and ongoing education process designed to ensure that directors have the requisite skills, knowledge and understanding to fulfill their duties as directors.

The Board will be periodically briefed on corporate governance developments and emerging best practices in corporate governance.

The Corporation will provide directors with opportunities to increase their knowledge and understanding of the Corporation's business. Briefings on strategic issues will be conducted as appropriate, and typically include reviews of the competitive environment, the Corporation's performance relative to peers, and any other developments that could materially affect the Corporation's business. Such briefings may be supplemented by participation by third party consultants, such as financial advisors, and outside legal counsel.

Majority Voting Policy

The Corporation has adopted a majority voting policy which requires that any director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election must promptly tender his or her resignation to the Board, to be effective upon acceptance by the Board. The Nomination and Governance Committee will make a determination as to whether or not to accept the tendered resignation and make a recommendation to the Board thereon. The Board, in turn, will determine whether or not to accept the tendered resignation within ninety (90) days of the Shareholder meeting. The Nomination and Governance Committee will accept the tendered resignation absent exceptional circumstances and the resignation will be effective when accepted by the Board. The Corporation shall promptly issue a news release with the Board's decision which, in the event the resignation is not accepted, must fully state the reason for that decision. Subject to any corporate law restrictions, the Board may fill any resulting vacancy through the appointment of a new director. The director nominee in question may not participate in any committee or Board votes concerning his or her resignation. This policy will not apply in circumstances involving contested director elections.

Director Nomination Provisions

The Corporation's Articles include provisions (the "**Nomination Provisions**") to provide a clear process for director nominations and set out a reasonable timeframe for nominee submissions and the provision of accompanying information. The Nomination Provisions ensure that all shareholders receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner.

The Nomination Provisions include, among other things, a requirement that advance notice be given to the Corporation. The Nomination Provisions (i) set a deadline by which shareholders must notify the Corporation in writing of an intention to nominate directors for election to the Board prior to any meeting of shareholders at which directors are to be elected and (ii) set forth the information that such shareholder must include in such notice for it to be valid.

In the case of an annual meeting of shareholders, notice must be made not less than thirty (30) days nor more than sixty five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date on which the first public announcement of the date of the annual meeting of shareholders was made, notice may be made not later than the close of business on the tenth day following such public announcement.

In the case of a special meeting (other than an annual meeting) of shareholders called for the purpose of electing directors, notice must be made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Amendment, Modification and Waiver

These guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Nomination and Governance Committee.

These Guidelines were last approved by the Board of Directors on January 24, 2025.