



5N PLUS

**5N Plus Inc.
Board of Directors Charter**

Amended November 2, 2021



OBJECTIVES

The Board of Directors (the “**Board**”) is responsible for the overall stewardship of 5N Plus Inc. (the “**Company**”) and overseeing the management of the Company’s business and affairs in the best interests of the Company’s shareholders and other stakeholders. Senior management of the Company is responsible for the day-to-day management of the Company.

The Board may discharge its responsibilities by delegating certain duties to committees of the Board and management. The specific duties delegated to each committee of the Board are outlined in the charter for those committees.

COMPOSITION

The articles of the Company provide that the number of directors to be elected at a meeting of shareholders will be a maximum of 15 directors, a majority of whom are independent directors. The Chief Executive Officer (the “**CEO**”) will be a member of the Board.

The Board will refer to the applicable legal requirements and the rules of any stock exchange on which the Company’s securities are listed to determine whether a director is independent or not.

The Board should consist of professional and competent members with an appropriate mix of skills and abilities to ensure that the Board carries out its duties and responsibilities in the most effective manner and that the Company meets its legal, financial and operational objectives.

SELECTION OR APPOINTMENT OF DIRECTORS

Upon the recommendations of the Governance Committee, the Board will review and approve:

- a. list of nominees for independent Directors to the Board for election at the annual meeting of shareholders.
- b. candidates to fill any casual vacancy occurring on the Board.
- c. any change in the principal occupation of a Board member.

CHAIR OF BOARD

The Chair of the Board shall be an independent director. Should the Chair be a non-independent director, the Board shall appoint a lead director from among the independent directors. The Board has approved and shall periodically review the position description for the Chair of the Board.

MEETINGS

The Board will meet at least once each quarter to fulfill its duties, but in any event at least five times per year, with additional meetings if necessary. Meetings shall be at such place as any member of the Board shall determine. The Board may meet by telephone conference or by any other means permitted by law or the Company’s by-laws.

The Chair of the Board shall be responsible for the agenda for each Board meeting. Board members are invited to suggest inclusion of items on the agenda and are free to raise, at any Board meeting, subjects that are not specifically on the agenda for that meeting.

The quorum necessary for the transaction of business of the directors may be set by the Directors to a number not less than 50% of the directors in office, and if not so set, is deemed to be a majority of the Directors in office.

The Chair of the Board (or, in the absence of the Chair of the Board, the acting Chair) of the Board shall appoint a person to act as secretary of meetings of the Board.

Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary, or any other person acting in such capacity, and subsequently presented to the Board for approval.

The Board encourages management to attend Board meetings, where appropriate, to provide additional insight to matters being considered by the Board. Management attendees will be excused for any agenda items which are reserved for discussion among directors only.

The Board should have an *in-camera* session without management present, including any management directors, as a regular feature of each Board meeting.

Each Director is expected to attend all meetings of the Board and be familiar with Board materials provided in sufficient time for review prior to the meeting.

The Board may, at the Company's expense, retain external advisors as it determines necessary or advisable to permit it to carry out its duties and responsibilities.

DUTIES AND RESPONSIBILITIES

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

1. Strategy and Budget

The Board will:

- a. Review and approve at least on an annual basis, a strategic plan that must take into account, among others, the opportunities and risks of the Company's business.
- b. Monitor the execution of the strategic plan by management and corporate performance against the Company's objectives and goals and assess developments which may affect the Company's strategic plan.
- c. Review and approve, following recommendation from the Audit Committee, the Company's annual operating and capital budget.
- d. Consider and approve transactions out of the ordinary course of the Company's business including, without limitation, proposals on mergers, acquisitions or other major investments or divestitures.
- e. Review and approve all material transactions and investments expected to have an impact on the Company's shareholders.

2. Risk Management and Internal Controls

Upon the recommendations of the Audit Committee, the Board will:

- a. Periodically review the significant risks and opportunities affecting the Company and its business and oversee the actions, systems and controls in place to manage and monitor risks and opportunities.
- b. Review the integrity of the Company's internal control over financial reporting, management of information systems, disclosure controls and procedures, financial disclosure and the safeguarding of the Company's assets.
- c. Review and approve, the Company's quarterly and annual financial statements and related financial information.
- d. Review and approve the disclosure in documents filed with securities regulators.
- e. Appoint and remove, the Company's auditor, (including mandate, scope and performance), subject to the approval of shareholders.

3. Governance

The Board will:

- a. Ensure that the Board may exercise its functions independently from executive management of the Company.
- b. Oversee the development of the Company's approach to corporate governance, including the development by the Governance Committee of corporate governance policies, principles and guidelines, and shall approve such policies, principles and guidelines, that are specifically applicable to the Company.
- c. Review and approve the Company's Code of Ethics to promote integrity and deter wrongdoing that is applicable to Directors, officers, and employees of the Company. The Board shall also require management to establish processes and procedures to monitor compliance with the Code of Ethics.

4. Environment, Health and Safety

The Board will ensure through reasonable measures, that the Company has appropriate health, safety and environment policies and procedures and reviews any material issues relating to such matters and management's response thereto.

5. Communications

- a. The Board will review annually the Company's Disclosure Policy that addresses how the Company interacts with shareholders, analysts and other stakeholders and contains measures to comply with continuous and timely disclosure obligations of important information and to avoid selective disclosure.
- b. The Board will consider and review the means by which shareholders can communicate, including by email at conseil.administration@5nplus.com or through the Company's website.

6. Human Resources Management and Compensation

Upon the recommendations of the Governance Committee, the Board will:

- a. Appoint and replace the CEO of the Company and approve the CEO's compensation.
- b. Approve the appointment of all members of executive management and any other appointed officers of the Company.
- c. Review and approve on an annual basis, the succession planning including appointing, training, and monitoring of the executive officers and the CEO in particular.
- d. Review and approve, written position description for the role of the CEO.
- e. Review and approve, the corporate goals and objectives that the CEO and other executive officers are responsible for meeting, relevant to their compensation, and reviewing the performance of these individuals against such corporate goals and objectives.
- f. Review and approve, the Company's overall system of executive compensation and determine all direct, indirect and incentive compensation, benefits and perquisites (cash and non-cash) for the executive officers.
- g. Satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create and maintain a culture of integrity and accountability throughout the Company.

COMMITTEES OF THE BOARD

Subject to applicable law, the Board may, from time to time, establish and maintain additional or different committees other than the Audit and Risk Management Committee (the "**Audit Committee**") and the Governance and Compensation Committee (the "**Governance Committee**"), as it deems necessary or appropriate. Each committee shall be composed of a majority of independent directors and shall operate according to a written charter outlining its duties and responsibilities approved by the Board.

After considering the recommendation of the Governance Committee, the Board will:

- a) Review the appropriate structure, size, composition, mandate, and members for each Board committee, and approve any modifications if necessary.
- b) Review, each charter and consider any suggested amendments for approval.

Each committee will report to the Board on its meetings and each member of the Board will have access to minutes of committee meetings, regardless of whether the director is a member of such committee.

BOARD COMPENSATION

The Board will consider and approve any proposed changes in compensation to be paid to independent members of the Board and committees and share ownership requirements on the recommendation of the Governance Committee.



BOARD AND COMMITTEES EVALUATION

From time to time, the Board will assess:

The effectiveness and contribution of the Board, the Chair of the Board, each committee of the Board, their respective mandate, Chairperson, and individual directors and consider any recommendation provided by the Governance Committee.

ORIENTATION AND CONTINUING EDUCATION

New directors are provided with an orientation and education program that includes written information about the duties and obligations of directors, the business and operations of the Company, documents from recent board meetings, and opportunities for meetings and discussion with senior management and other directors.

Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director. The Board also relies on professional assistance when judged necessary.

LEGAL REQUIREMENTS

The Board will monitor compliance with all applicable laws and regulations.

ACCESS TO INFORMATION

The Board shall have access to all information, documents and records of the Company that it determines necessary or advisable to permit it to carry out its duties and responsibilities.

REVIEW OF CHARTER

The Board shall periodically review this charter, and approve any modification that it deems appropriate, and be responsible for approving any changes to the committee charters recommended by the relevant committee.

ADDITIONAL RESPONSABILITIES

The Board shall perform any other function as prescribed by law or as not delegated by the Board to one of the committees of the Board or to management personnel.