



# KARORA RESOURCES INC.

<b>Title:</b>	Charter of the Board of Directors		
<b>Prepared by:</b>	Corporate Governance and Nominating Committee	<b>Date reviewed:</b>	<b>last</b> May 5, 2020
<b>Approved by:</b>	Board of Directors	<b>Date approved:</b>	May 5, 2020

## 1. ROLE OF THE BOARD

The role of the board of directors (the "**Board**") of Karora Resources Inc. (the "**Corporation**") is to oversee, directly and through its committees, the business and affairs of the Corporation, which are conducted by its officers and employees under the direction of the Chief Executive Officer ("**CEO**"). In doing so, the Board acts at all times with a view to the best interests of the Corporation.

## 2. AUTHORITY AND RESPONSIBILITIES

The Board meets regularly to review reports by management on the performance of the Corporation with, as set out in the Board Committee Charters, the assistance of the established Board Committee. In addition to the general supervision of management, the Board performs the following functions:

### 2.1 Strategic Planning

Overseeing the strategic planning process within the Corporation and periodically reviewing, approving and monitoring the strategic plan for the Corporation including fundamental financial and business strategies and objectives.

### 2.2 Risk Assessment

Assessing the major risks facing the Corporation and reviewing, approving, monitoring and mitigating those risks.

### 2.3 CEO

Developing the corporate objectives that the CEO is responsible for meeting and selecting, evaluating and compensating the CEO.

### 2.4 Succession Planning

Succession planning for the CEO of the Corporation. The Corporate Governance and Nominating Committee oversees succession planning associated with the members of the Board (with final approval by the Board). The Human Resources & Nominating Committee oversees succession planning associated with positions that report directly to the CEO (with final approval by the Board).

## 2.5 Senior Management

Overseeing the selection, evaluation and compensation of senior management, and monitoring succession planning in respect of these roles (the Human Resources and Compensation Committee shall have direct responsibility for senior management succession planning).

## 2.6 Disclosure Policy

Adopting a disclosure policy for the Corporation which is designed to ensure the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive stakeholder views.

## 2.7 Corporate Governance

Developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines applicable to the Corporation.

## 2.8 Financial Statements and Internal Controls

- (a) Reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance.
- (b) Reviewing and approving the financial statements of the Corporation, as recommended by the Audit Committee of the Board.

## 2.9 Maintaining Integrity

On an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation, including compliance with its Code of Business Conduct and Ethics.

## 2.10 Standing Committees

The Board has established the following standing committees (each, a "**Committee**") to assist the Board in discharging its responsibilities: (i) Audit, (ii) Corporate Governance and Nominating, (iii) Human Resources & Compensation, and (iv) Technical, Health and Sustainability. Special committees may be established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed periodically by the Board.

## 2.11 Evaluation

The Corporate Governance and Nominating Committee performs an annual assessment of: (i) the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors, and (ii) the skills level of Board members in various listed categories.

## **2.12 Compensation**

The Human Resources and Compensation Committee recommends to the Board the compensation for non-management directors. In reviewing the adequacy and form of compensation, the committee seeks to ensure that the compensation reflects the responsibilities and risks involved in being a director of the Corporation and aligns the interests of the directors with the best interests of the Corporation.

## **2.13 Access to Independent Advisors**

The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Chair of the Board, retain an outside advisor at the expense of the Corporation.

# **3. COMPOSITION AND PROCEDURES**

## **3.1 Size of Board and Selection Process**

The directors of the Corporation are elected each year by shareholders at the annual meeting of shareholders. The Board, with the assistance of the Corporate Governance and Nominating Committee, proposes individual nominees to shareholders for election. Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements prescribed by the *Canada Business Corporations Act* ("**CBCA**") or by complying with the advance notice requirements of the Corporation's by-laws. The Board also recommends the number of directors on the Board to shareholders for approval. Between annual meetings, the Board may appoint directors to serve until the next annual meeting.

## **3.2 Qualifications**

Directors should have the highest personal and professional integrity, ethics and values and be committed to advancing the best interests of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation's activities. A majority of the directors will be independent based on the rules and guidelines of applicable stock exchanges and securities regulatory authorities.

## **3.3 Chair of the Board & Lead Director**

Where the Chair of the Board is determined not to be "independent" (as interpreted under Canadian securities laws), whether by virtue of serving an Executive Chair or otherwise, the Board will appoint a Lead Director to provide independent leadership to the Board.

## **3.4 Director Orientation**

The Corporation's management team is responsible for providing an orientation and education program for new directors.

## **4. MEETINGS**

The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, the CEO discusses agenda items for the meeting with the Chair of the Board. Materials for each meeting are distributed to the directors in advance of the meetings. At the conclusion of each regularly scheduled meeting, the independent directors meet without management present. The Secretary of the Corporation will prepare minutes of all Board meetings, which shall be available for review by the Board. Except in exceptional circumstances, draft minutes of each meeting of the Board shall be circulated to the Board for review within 14 days following the date of each such meeting.

### **4.1 Attendance**

Directors are expected to attend all properly called meetings in person or by telephone. As a minimum, directors are expected to attend at least 75% of all properly called meetings and to have reviewed meeting materials in advance.

### **4.2 Quorum**

Subject to the by-laws of the Corporation, quorum for the transaction of business of the Board shall be a majority of the number of the members of the Board. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place.

### **4.3 Notice**

Subject to the CBCA, and the articles and by-laws of the Corporation, Board meetings shall be held from time to time and at such place as any member of the Board shall determine upon reasonable notice to each of its members which shall not be less than forty-eight (48) hours. The notice period may be waived by all members of the Board. If any one of the Chairperson of the Board or the CEO considers it a matter of urgency that a meeting of the Board be convened, he or she may give notice of a meeting by means of any telephonic, electronic or other communication facility no less than one hour before the meeting. No notice of a meeting will be necessary if all the directors in office are present or if those absent waive notice of that meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **4.4 Participation**

Members may participate in a meeting of the Board in person or by means of telephone, web conference or other communication equipment that permits all persons to participate in the meeting adequately. The Board may invite other officers and employees of the Corporation and such other advisors and persons as is considered advisable to attend any meeting of the Board. For greater certainty, the Board shall have the right to determine who shall and who shall not be present at any time during a meeting of the Board.

#### **4.5 Voting**

Subject to the CBCA and the articles and by-laws of the Corporation, any matter to be determined by the Board shall be decided by a majority of the votes cast at a meeting of the Board called for such purpose. Any action of the Board may also be taken by an instrument or instruments in writing signed by all of the members of the Board (including in counterparts, by facsimile or other electronic signature) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose. In case of an equality of votes, the Chairman of the Board will not be entitled to a second or casting vote.