



<b>Title:</b>	Human Resources and Compensation Committee Charter		
<b>Prepared by:</b>	Compensation Committee	<b>Date last reviewed:</b>	March 22, 2020
<b>Approved by:</b>	Board of Directors	<b>Date approved:</b>	March 24, 2020

## 1. PURPOSE

The Compensation Committee (the "**Committee**") of Karora Resources Inc. (the "**Corporation**") has been established by the Board of Directors of the Corporation (the "**Board**") for the purposes of assisting the Board in fulfilling its oversight responsibilities with respect to human resources and compensation, with an emphasis on executive compensation, and the development, retention and continuity of senior executives. The Committee's responsibilities fall into the following categories, and are described in greater detail below in Section 5:

### 1.1 Compensation Philosophy

Develop a compensation philosophy and policies, including the Corporation's approach to risks associated with the Corporation's policies and practices and, evaluate and make recommendations to the Board regarding cash, equity-based and incentive compensation.

### 1.2 Succession Planning

Succession planning for the senior management of the Corporation.

### 1.3 Compensation of the CEO

Review and approve goals and objectives relevant to compensation for the CEO, evaluate the performance of the CEO in light of those goals and objectives and make recommendations to the Board for the CEO's compensation level based on this evaluation.

### 1.4 Compensation of Directors

Review and make recommendations to the Board with respect to all forms of compensation to the directors.

### 1.5 Compensation of Senior Executives other than CEO

Make recommendations to the Board with respect to compensation of "Named Executive Officers", as defined in Form 6 of National Instrument 51-102 – *Continuous Disclosure Requirements*.

### 1.6 Disclosure

Review executive compensation disclosure before the Corporation publicly discloses this information.

## **1.7 Human Resources**

Review the Corporation's approach to matters related to human resources for the Corporation to ensure that the Corporation has appropriate policies in place for effectively hiring, developing and retaining the human resources necessary to achieve the Corporation's goals and objectives.

## **2. COMPOSITION**

### **2.1 Members**

The Committee shall consist of as many members as the Board shall determine, but in any event, not fewer than three (3) members. The Board shall appoint the members of the Committee annually. The Board may modify the membership of, or fill vacancies in the Committee by appointment from among the members of the Board.

### **2.2 Qualifications**

Each member of the Committee shall be an independent director of the Corporation within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

### **2.3 Chair**

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

### **2.4 Removal and Replacement**

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director of the Corporation. The Board may fill vacancies on the Committee by appointment from among the Board. If, and whenever, a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. If, and whenever, vacancies shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains or a Reduced Quorum (defined below) is present in respect of a specific Committee meeting.

## **3. OPERATIONS**

### **3.1 Meetings**

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four time per year. Committee members may attend meetings in person, by phone or by video conference.

### **3.2 Independent Meetings**

Every meeting of the Committee at which individuals other than Committee members are present by invitation shall be followed by a meeting of Committee members if so requested by any committee member. Such members only meeting must occur at least once per year.

### **3.3 Quorum**

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee. Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee. 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. If at the second adjourned meeting a quorum as hereinbefore specified is not present, then, at the discretion of the members then present, the quorum for the adjourned meeting shall consist of the members then present (a "**Reduced Quorum**").

### **3.4 Notice**

Committee meetings shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members which shall not be less than twenty-four (24) hours before the time fixed for the meeting. The notice period may be waived by all members of the Committee and attendance at a meeting is deemed waiver of notice. The Chair or the CEO shall be entitled to request that any member of the Committee call a meeting of the Committee.

### **3.5 Agenda**

The Chair of the Committee, with the assistance of the Corporate Secretary, shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The Corporation will keep minutes of its meetings, which shall be available for review by the Board. The agenda and information concerning the business to be conducted at each Committee meeting shall be, to the extent practical, communicated to members of the Committee sufficiently in advance of each meeting to permit meaningful review. The Committee will keep minutes of its meetings which shall be available for review by the Board. Except in exceptional circumstances, draft minutes of each meeting of the Committee shall be circulated to the Committee for review within 14 days following the date of each such meeting.

### **3.6 Voting**

Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (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 matter will be referred to the Board for decision.

### **3.7 Report to Board**

The Committee shall report regularly to the entire Board. The Chair of the Committee shall prepare and deliver the report to the Board. The Committee's report by the Chair may be a verbal report delivered to the Board at a duly called Board meeting.

### **3.8 Assessment of Charter**

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

## **4. CHAIR**

### **4.1 The Chair should:**

- 4.1.1 provide leadership to the Committee and oversee the functioning of the Committee;
- 4.1.2 chair meetings of the Committee (unless not present), including in-camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations and decisions of the Committee and otherwise at such times and in such manner as the Chair considers advisable;
- 4.1.3 ensure that the Committee meets at least four times per financial year of the Corporation, and otherwise as is considered advisable;
- 4.1.4 in consultation with the Chairman of the Board, the Lead Director of the Board (the "**Lead Director**"), if any, and the members of the Committee, establish dates for holding meetings of the Committee;
- 4.1.5 set the agenda for each meeting of the Committee with input from other members of the Committee, the Chairman of the Board, the Lead Director, if any, and any other appropriate individuals;
- 4.1.6 ensure that Committee materials are available to any director upon request;
- 4.1.7 act as a liaison, and maintain communication, with the Chairman of the Board, the Lead Director, if any, and the Board to co-ordinate input from the Board and to optimize the effectiveness of the Committee;
- 4.1.8 report annually to the Board on the role, mandate, and effectiveness of the Committee, in respect of contributing to the objectives of the Board and the Corporation;
- 4.1.9 assist the members of the Committee to understand and comply with the responsibilities contained in this mandate;

- 4.1.10 foster ethical and responsible decision making by the Committee;
- 4.1.11 oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- 4.1.12 ensure appropriate information is requested from the officers of the Corporation and is provided to the Committee to enable it to function effectively and comply with this mandate;
- 4.1.13 ensure that appropriate resources and expertise are available to the Committee;
- 4.1.14 ensure that the Committee considers whether any independent counsel or other experts or advisors retained by the Committee are appropriately qualified and independent in accordance with applicable laws;
- 4.1.15 facilitate effective communication between the members of the Committee and the officers of the Corporation;
- 4.1.16 attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Corporation to respond to any questions from shareholders that may be asked of the Committee; and
- 4.1.17 perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time.

## **5. RESPONSIBILITIES**

The Committee shall:

### **5.1 Performance Evaluation**

- 5.1.1 Review and approve the Corporation's goals that have been previously approved by the Board, and the metrics that will determine the CEO's compensation.
- 5.1.2 Review and approve: (i) the goals and objectives relevant to the compensation of Named Executive Officers, and (ii) the performance of each such Named Executive Officer in light of those goals and objectives.

### **5.2 Compensation**

- 5.2.1 In consultation with the Lead Director (if appointed), make recommendations to the Board with respect to the compensation of the CEO and, in consultation with the CEO, make recommendations to the Board with respect to the compensation of the Corporation's other senior executives, including among other things, their base salaries, annual incentives, deferred compensation, stock option and other equity-based compensation, incentive compensation, special benefits, perquisites, and incidental benefits.

- 5.2.2 Review and make recommendations to the Board with respect to the compensation of the Corporation's directors, including without limitation, equity and equity-based compensation.
  - 5.2.3 Periodically review (at least annually) the Corporation's comprehensive Compensation Policy, and recommend to the Board any revisions to such policy that are deemed advisable by the Committee.
  - 5.2.4 Review and approve all new employment, consulting, retirement and severance agreements and arrangements proposed for the Corporation's senior executives other than the CEO and periodically evaluate existing agreements with the Corporation's senior executives for continuing appropriateness. Review and make recommendation to the Board any new employment arrangements for the Corporation's CEO.
  - 5.2.5 Select a peer group of companies that is used for purposes of determining competitive compensation packages. Review, with the assistance of an outside consultant, as needed, the compensation, including base salary and incentive awards, of that group of peer companies, and make recommendations on changes to the target compensation for the CEO and executives reporting to the CEO.
  - 5.2.6 Review periodically and make recommendations to the Board regarding any long-term incentive compensation or equity plans, programs or similar arrangements that the Corporation establishes for, or makes available to, its directors and employees (collectively the "**Plans**").
  - 5.2.7 Consider and recommend to the Board grants under the Plans and administer the Plans in accordance with their terms, construing all terms, provisions, conditions and limitations of the Plans and making factual determinations required for the administration of the Plans.
- 5.3 Risks**
- 5.3.1 Review at least annually the Corporation's compensation policies and practices to ensure that they encourage management to consider the risks associated with their decisions and actions and that they do not encourage unnecessary or inappropriate risk taking.
  - 5.3.2 Consider business risks and mitigation, when setting compensation related objectives.
- 5.4 Disclosure**
- 5.4.1 Review disclosure of the Corporation's executive compensation, compensation policies and programs and the relationship of corporate performance to executive compensation, including the factors and criteria on which the CEO's compensation for the previous fiscal year was based and the relationship of the Corporation's performance to the CEO's compensation, in the Corporation's management information circular.

## **5.5 Other Human Resource and Compensation Matters**

5.5.1 The Committee shall review such other human resource and compensation matters as it determines to be appropriate in its sole discretion.

## **6. AUTHORITY**

### **6.1 Delegation**

The Committee has the power to delegate its authority and duties to a subcommittee or individual members of the Committee, as it deems appropriate, provided that the subcommittee is comprised entirely of independent directors.

### **6.2 Advisors**

The Committee has the authority to retain, and determine the fees and other retention terms of, independent legal counsel, compensation consultants and other advisors in its sole discretion that it determines to be necessary to permit it to carry out its duties. Prior to selecting or receiving advice from an advisor, the Committee shall evaluate the independence of such advisor by considering, among other things, any business or personal relationship of the advisor or the firm employing the advisor with a senior executive of the Corporation and any ownership of shares of the Corporation by the advisor.