



## **OLIVUT RESOURCES LTD.**

### **COMPENSATION AND GOVERNANCE COMMITTEE CHARTER**

#### **Section 1 PURPOSE**

The Compensation and Governance Committee (the “**Committee**”) is a Committee of the Board of Directors (the “**Board**”) of Olivut Resources Limited (the “**Company**”). The primary function of the Committee is to assist the Board in fulfilling their applicable roles by:

1. Structuring, reviewing and approving and then recommending to the Board the compensation of the Chief Executive Officer and President and other members of the senior management team;
2. Administration of the Company's compensation plans for senior management and the Board, including the stock option plan and such other compensation plans or structures as are adopted by the Company from time to time;
3. Reviewing the Company’s disclosure and insider trading policies and the Company’s Code of Conduct and similar policies and practices as deemed required;
4. Assessing the effectiveness of the Board as a whole (including any committees) as well as discussing the contribution of individual members;
5. Considering questions of management succession;
6. Assessing the performance of the Chief Executive Officer of the Company;
7. Periodically assessing the Company's governance;
8. Considering and approving proposals by the Board to engage outside advisors on behalf of the Board as a whole or on behalf of the independent directors of the Board;
9. Proposing new nominees for appointment to the Board where applicable;
10. Recommending to the Board resignation or removal of directors where their current or past conduct is or has been improper or liable to adversely affect the Company or its reputation; and
11. Orienting new Directors and providing continuing education for existing Directors.

#### **Section 2 COMPOSITION AND MEETINGS**

1. The Committee should be comprised of such Directors as are appointed by the Board each of whom should be (or should become within a reasonable period of time after appointment) familiar with corporate governance practices.

2. The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed. 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.
3. The members of the Committee may be removed or replaced by the Board at any time. The Chair may be removed by the Board or the Committee, in consultation with the Board, at any time. Any member shall automatically cease to be a member of the Committee on ceasing to be a Director. The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.
4. The Committee may delegate any or all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.
5. The Committee should meet at least two times per annum or more frequently as circumstances require. The Committee may ask members of Management or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role.
6. The Committee may if considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, accountants, outside compensation specialists or other experts and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Company) the compensation for any such advisors.
7. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine and provided further that the Chair is present.
8. Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chairman of the Board, the President and Chief Executive Officer, the Chief Financial Officer, the Vice President Finance or the Secretary shall be entitled to request that any member of the Committee call a meeting.

### **Section 3      ROLE**

In addition to the matters described in Section 1, the Committee should:

1. Determine any desired agenda items.
2. Review and recommend to the Board changes to this Charter, as considered appropriate at least annually.
3. Summarize in the Company's annual report the Committee's composition and activities, as required.
4. Record minutes of its meetings and submit those to the whole Board on a timely basis.

### **Review of Compensation**

5. To the extent applicable, review the senior management and Board compensation policies and/or practices followed by the Company and seek to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which is industry competitive and which results in the creation of shareholder value over the long-term (i.e. management and Board incentives are aligned with owners' gains).
6. To the extent applicable, seek to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect individual performance in the context of the overall performance of the Company. Overall performance should be measured by issues such as revenue, profitability, stock price, staff turnover, costs, administrative efficiency and other applicable initiatives being undertaken in the year, which should provide future shareholder benefit. Participation in the stock option plan should reflect the level of responsibility and level of contribution of participants within the Company.
7. The Committee should where appropriate review and approve for recommendation to the Board applicable goals and objectives relevant to the Chief Executive Officer and President and his or her compensation, evaluate his or her performance relative thereto, and recommend compensation based on such evaluation and other appropriate factors.

### **Report on Executive Compensation**

8. The Committee shall prepare a report on executive compensation on an annual basis in connection with the preparation of the Annual Management Information Circular or as otherwise required pursuant to applicable securities laws.
9. To the extent applicable, the report on executive compensation should describe the process undertaken by the Committee and should speak to the weighting factors and target levels set out in the determination of the executive's compensation. Where there are no clearly pre-established targets or payout ranges, the report on executive compensation should clearly indicate this fact.
10. The Committee should review in advance all proposed executive compensation public disclosure.

### **Compensation of the Board of Directors**

11. The Committee should review and recommend to the Board the compensation of the Board members, including annual retainer, meeting fees, stock option plan participation and other benefits conferred upon the Board members.

### **Report on Corporate Governance**

12. The Committee should review, on a periodic basis, the size and composition of the Board and make recommendations as to the number of Independent Directors and advise the Board on filling vacancies.
13. The Committee should facilitate the independent functioning of the Board and seek to maintain an effective relationship between the Board and senior management of the Company.

14. The Committee should develop a written position description for the Chief Executive Officer and should assess, annually, the Chief Executive Officer's goals and objectives for the upcoming fiscal year and provide an appraisal of the Chief Executive Officer's performance.
15. The Committee should review, annually, the effectiveness of senior management and other executive officers as a whole, and the contribution and qualification of individual senior executive officers and other key employees of the Company, including making recommendations where appropriate that a current officer or other key employee be removed or not re-hired.
16. The Committee should assess, annually, the effectiveness of the Chairman of the Board, the Board as a whole, all Committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual directors, including making recommendations where appropriate that a sitting Director be removed or not re-appointed and should also provide or co-ordinate the provision of continuing education for the directors so as to assist the directors in maintaining the skill and knowledge necessary to meet their obligations as directors.
17. The Committee should review, at least annually, the Company's Disclosure Policy and the Company's Code of Conduct, and recommend to the Board any changes thereto as considered appropriate at least annually.
18. The Committee should develop a process to address any conflict of interest and to periodically review such process.
19. The Committee should review, on a periodic basis, questions of management succession.

#### **Reporting Process**

20. The Committee's role is to review and submit to the Board, as a whole, recommendations concerning executive compensation and compensation plan matters. Such reports may be oral or in writing. Unless such matters are delegated specifically to the Committee, the Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will then have the authority to instruct management to implement the Board's directives.
21. The Committee should review with the Board the Committee's judgment as to the quality of the Company's governance and suggest changes to the Company's operating governance guidelines as determined appropriate.

#### **Nominating Role**

22. The Committee should, as necessary or appropriate, establish qualifications for directors and procedures for identifying possible nominees who meet these criteria. In so doing, it should consider desired competencies and skills and the appropriate size of the Board.
23. The Committee should provide orientation or information as requested to new directors.
24. The Committee should analyze the current skills and competencies of the Board and the needs of the Board when vacancies arise and identify and recommend nominees who meet such needs.

### **Limitations on Committee's Duties**

25. Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations.
26. In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which they are otherwise subject as directors.
27. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to Securityholders of the Company or other liability whatsoever.

Reapproved by the Board of Directors the 9<sup>th</sup> day of December, 2020.