

# **SHERRITT INTERNATIONAL CORPORATION**

## **MANDATE OF THE BOARD OF DIRECTORS**

### **1. GENERAL**

The Board of Directors (the “Board”) is responsible for overseeing the management of the business and affairs of Sherritt International Corporation (the “Corporation”) according to lawful and ethical standards and in accordance with the Corporation’s viability as a going concern.

The Board has the power to delegate its authority and duties to committees of the Board as it determines appropriate, as permitted by applicable law. Board committees are accountable to the Board, which at all times retains its oversight function and ultimate responsibility for all delegated responsibilities.

### **2. BOARD DUTIES AND RESPONSIBILITIES**

#### **Directors and Senior Management**

- Appoint the Chair, the Lead Director (in cases where the Chair is not independent), the President and CEO and other senior officers and, as permitted by applicable law, delegate to senior management responsibility for the Corporation’s day-to-day operations.
- With the assistance of the Nominating and Corporate Governance Committee, evaluate the performance of the Chair against the position description developed by the Board.
- With the assistance of the Human Resources Committee, evaluate the performance of the President and CEO against the position description developed by the Board. In cases where the role of Chair and President and CEO is combined, the Chair shall be excluded from this evaluation.
- With the assistance of the Nominating and Corporate Governance Committee, ensure that management maintains a process that adequately provides for succession planning of senior management.

#### **Ethical Leadership**

- Foster an ethical corporate environment and ensure that the President and CEO and other senior officers manage the business and affairs of the Corporation in an ethical and legal manner and exhibit ethical leadership throughout the Corporation.

## **Strategic Direction and Risk Assessment**

- With the assistance of the applicable Board committee, assess and approve management's strategic plan and review and approve annual business plans developed and proposed by management. The Board will:
  - provide advice and input regarding strategic opportunities, issues and circumstances which could threaten the Corporation's viability as a going concern;
  - approve business and operational policies within which management will operate in relation to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management and human resources;
  - set annual corporate and management performance targets consistent with the Corporation's strategic plan;
  - review and discuss with management the process used by management to assess and manage risk, including the identification by management of the principal risks of the Corporation's business and the implementation by management of appropriate systems to deal with such risks; and
  - confirm that processes are in place to address and comply with applicable legal, regulatory, corporate, securities and other compliance matters.

## **Financial Reporting and Management**

- The Board will review and approve annual operating and capital budgets.
- With the assistance of the Audit Committee, the Board will:
  - review and oversee the integrity of the Corporation with respect to its compliance with applicable audit, accounting and financial reporting requirements;
  - oversee the integrity of the Corporation's disclosure controls and procedures and internal controls over financial reporting, and management information systems;
  - review operating and financial performance results relative to established strategies, plans, budgets and objectives; and
  - approve the Corporation's annual financial statements and related management's discussion and analysis and earnings press releases.

## **Disclosure, Communications and Insider Trading**

- With the assistance of the Nominating and Corporate Governance Committee, satisfy itself that appropriate policies and procedures are in place regarding public disclosure, communications and restricted trading by insiders.

## **Corporate Governance**

- With the assistance of the Nominating and Corporate Governance Committee, the Board will:
  - ensure that there exists an appropriate system of corporate governance, including practices to facilitate the Board's independence;
  - ensure that the necessary Board committees are in place and approve: (i) any changes to their respective mandates; (ii) the mandate of any new committee; and (iii) the authority delegated to each committee;
  - ensure that there exists appropriate processes for the annual evaluation of Board and committee effectiveness and the contributions of individual directors; and
  - approve the nomination of directors.

## **Environment, Social & Governance (ESG)**

- Oversee and monitor the Company's environmental, social and governance ("ESG") and corporate social responsibility initiatives.
- Oversee the Corporation's general strategy and direction with respect to ESG Matters, including the identification, assessment and prioritization of material and strategically significant ESG Matters.

## **Independence**

In cases where the Chair is not independent, a Lead Director shall be appointed annually from among the independent directors by a majority of the independent directors and shall be recommended by the Nominating and Corporate Governance Committee. The Lead Director may also be removed by a majority of independent directors.

The principal role of the Lead Director is to facilitate the functioning of the Board independent of management and the Chair and serve as an independent

leadership contact for the directors and senior executives. The Lead Director shall consult with the Chair and approve the agendas, board materials and schedules for board meetings, preside over in camera sessions of independent directors, call, if necessary, the holding of special meetings of the Board or independent directors and oversee the annual Board and individual director evaluation process (including providing the Chair with an annual performance evaluation). The Lead Director shall also be available for consultation and direct communication with shareholders and other key stakeholders, from time to time.

### **Compensation of Senior Officers and Directors**

- With the assistance of the Human Resources Committee, the Board will:
  - approve the compensation of the President and CEO and senior management reporting directly to the President and CEO, as well as compensation policies for the President and CEO and other senior officers;
  - approve the compensation of directors, including the Chair; and
  - approve any equity-based compensation plans for eligible directors, officers and other employees of the Corporation.

### **Environment, Health, Safety and Sustainability**

- With the assistance of the Reserves, Operation and Capital Committee, the Board will:
  - monitor the scope of environment, health and safety, security and sustainability risks to the Corporation's operations and future growth and ensure the adequacy and effectiveness of the Corporation's management systems and controls to mitigate these risks and attendant liabilities;
  - ensure compliance with legal and regulatory requirements and any voluntary commitments the Corporation has made related to environment, health and safety, security and sustainability with a focus on continuous improvement and ensuring consistent practice across the Corporation and its divisions;

## **3. DIRECTOR DUTIES AND RESPONSIBILITIES**

- Each director must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders by exercising the degree

of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In order to fulfill this responsibility, each director is expected to:

- participate with management in assessing strategic and business plans;
- develop and maintain a thorough understanding of the Corporation's operational and financial objectives, financial position and performance and the performance of the Corporation relative to its principal competitors;
- participate in each meeting, including seeking clarification from management and outside advisors where necessary to fully understand the issues under consideration;
- disclose any personal interests that conflict with, or may appear to conflict with, the interests of the Corporation; and
- engage in continuing education programs for directors, as appropriate.

#### **4. BOARD COMPOSITION**

- With the assistance of the Nominating and Corporate Governance Committee, determine the size and composition of the Board, Board member qualifications and Board member independence to ensure that a majority of directors qualify as independent directors as determined under applicable Canadian securities laws.

#### **5. CHAIR OF THE BOARD**

In cases where the Chair is an independent director, the Chair is responsible for ensuring that the Board operates independently of management and that directors have an independent leadership contact.

##### **Specific Roles and Responsibilities**

- The Chair will:
  - chair meetings of the directors and assume such other responsibilities which the directors as a whole may designate from time to time;
  - ensure that directors have adequate opportunities to meet without management present;

- communicate to senior management as appropriate the results of private discussions among directors;
- monitor compliance with the Corporation's governance policies; and
- meet annually with each director to obtain insight as to areas where the Board and its committees could be operating more effectively.

In cases where the Chair is not an independent director, the Lead Director will chair all in camera meetings of the independent directors and ensure that such directors have adequate opportunities to meet without management, as well as informing the Chair of the results of private discussion among the independent directors.

Please refer to the Corporation's document entitled "Chair's Terms of Reference", attached as Appendix "A" for additional responsibilities of the Chair.

## 6. **BOARD MEETINGS**

- Board meetings are scheduled in advance and are held not less than quarterly.
- In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of the Corporation. The Committee shall receive a written executive summary from the Corporate Secretary at each meeting highlighting the issues for specific discussion at the meeting.
- An in-camera session will be held at each regularly scheduled Board meeting.
- The Board may also take action from time to time by unanimous written consent.
- A Board meeting may be called by the Chair, the Lead Director (if applicable) or any director.

(Reviewed July, 2024)

## **APPENDIX “A”**

### **CHAIR’S TERMS OF REFERENCE**

The principal role of the Chair of the Board of Directors (“Board”) of Sherritt International Corporation (the “Corporation”) is to provide leadership to the Board. The Chair is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and that it functions efficiently and independent of management. The Chair also advises the President and Chief Executive Officer in all matters concerning the interests of the Corporation, the Board and the relationships between management and the Board.

More specifically, the Chair shall:

#### **A. Strategy**

1. Provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Mandate of the Board and as otherwise may be appropriate.
2. Work with the Board, the President and Chief Executive Officer and other management to monitor progress on the Corporation’s business plans, annual budgets, policy implementation and succession planning.
3. Assist the President and Chief Executive Officer in presenting the corporate vision and strategies to the Board, large shareholders, partners and the outside world.

#### **B. Advisor to President and Chief Executive Officer**

4. Provide advice, counsel and mentorship to the incumbent President and Chief Executive Officer.
5. In consultation with the President and Chief Executive Officer, ensure that there is an effective relationship between management personnel and the members of the Board.

#### **C. Board Structure and Management**

6. Preside over Board meetings and annual and special meetings of shareholders.
7. Provide advice, counsel and mentorship to fellow members of the Board.
8. Execute the responsibilities of a company director according to the lawful and ethical standards and in accordance with the Corporation’s policies.
9. Take a leading role in determining the composition of the Board and its committees to achieve maximum effectiveness.

10. In consultation with the President and Chief Executive Officer, the Corporate Secretary and the chairs of the Board committees, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Board committees and of the shareholders.
11. In consultation with the President and Chief Executive Officer and the Corporate Secretary, review the annual work plan and the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities.
12. Ensure the proper flow of information to the Board and review, with the President and Chief Executive Officer and Corporate Secretary, the adequacy and timing of materials in support of management personnel's proposals.

#### **D. Compensation Matters and Succession Planning**

In conjunction with the Human Resources Committee:

13. Recommend compensation awards for President and Chief Executive Officer and be available to advise the Board on general compensation matters.
14. Advise the Board on performance of the President and Chief Executive Officer and succession planning of the President and Chief Executive Officer.