



**CHARTER FOR THE COMPENSATION AND NOMINATION COMMITTEE  
OF THE BOARD OF DIRECTORS (the “Board”) OF  
KAINANTU RESOURCES LTD. (the “Company”)  
(Adopted by the Board on January 29, 2021)**

**A. PURPOSE AND SCOPE**

The primary function of the Compensation and Nomination Committee (the “Committee”) of the Board with respect to compensation matters is to exercise the responsibilities and duties set forth below, including but not limited to: (i) discharging the Board’s responsibilities relating to the compensation of the Company’s executive officers, (ii) administering the Company’s incentive compensation and equity-based plans, and (iii) assisting the Board with respect to management succession and development. The Committee shall review and make recommendations to the Board on an annual basis regarding (A) company-wide compensation programs and practices, (B) all aspects of the remuneration of the Company’s executive officers and directors, and (C) equity-based plans and any material amendments thereto (including increases in the number of securities available for grant as options or otherwise thereunder); and

The primary function of the Committee with respect to nomination matters is to exercise the responsibilities and duties set forth below, including but not limited to: (i) identifying candidates to act as directors of the Company, (iii) recommending to the Board qualified candidates to nominate as a director of the Company for consideration by the shareholders of the Company at the next annual meeting of shareholders (“Annual Meeting”), and (iv) overseeing and assessing the functioning of the Board and the committees of the Board.

**B. PROCEDURES, POWERS, COMPOSITION AND MEETINGS**

The Committee shall have the following procedures, powers, composition, and meetings:

1. The Committee shall be composed of at least two directors as shall be designated by the Board from time-to-time, the majority of whom shall meet any independence requirements of Sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company (each, a “Regulatory Body” and, collectively, the “Regulatory Bodies”). One member of the Committee shall be designated by the Board to serve as chairperson (the “Chair”). The members of the Committee shall be selected by the Board taking into account prior experience in matters to be considered by the Committee, probable availability at times required for consideration of these matters, and their individual objectivity. All members shall have the skills or experience which are relevant to the mandate of the Committee, as determined by the Board. The members of the Committee shall serve until the earliest to occur of the date on which the appointed member shall be replaced by the Board, resign from the Committee, or leave the Board.
2. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
3. Meetings of the Committee shall be held from time-to-time as the Committee or the Chair thereof shall determine as necessary to perform the duties described herein upon 48 hours’ notice to each of its members; provided that the Committee shall meet at least once per year. The notice period may be waived by a quorum of the Committee.
4. A minimum of two members of the Committee present either in person or by telephone shall constitute a quorum.
5. Any member of the Committee may participate in a meeting of the Committee by means of telephone conference or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
6. The Committee shall keep minutes of its meetings which, if requested, shall be submitted to the Board. The Committee may, from time-to-time, appoint any person, who need not be a member, to act as a secretary at any



meeting. Supporting schedules and information reviewed by the Committee shall be available for examination by any director of the Board.

7. The Committee shall investigate any activity of the Company, including all of its subsidiaries, relating to environmental and social matters. The Committee has been, and shall be, granted unrestricted access to any information it considers to be necessary or desirable in order to perform its duties and responsibilities.

8. The Committee may engage, set and pay the compensation, at the Company's expense, for persons having specialized competencies (including, without limitation, legal or other consultants and experts) and other advisors as it determines necessary to assist in fulfilling its duties and responsibilities.

9. The Committee may invite any officers, directors, employees or advisors of the Company, or any of its Subsidiaries, or such other persons as it may see fit, from time to time, to attend its meetings and to take part in discussion and consideration of the affairs of the Committee, provided that the Chief Executive Officer ("CEO") and other executives may not be present during any voting or deliberations on compensation of the CEO or such other executives, respectively.

10. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee in as many counterparts as may be necessary, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

11. Following meetings of the Committee, the Committee, through its Chair, will report to the Board on matters considered by the Committee.

## **C. RESPONSIBILITIES AND DUTIES**

### **Compensation Matters**

12. In respect of compensation matters, to fulfill its responsibilities and duties the Committee shall:

- a) At least annually, establish a Committee work plan for a period of not less than one year.
- b) Periodically review and advise the Board (supported, in the discretion of the Committee, by internal or external experts) on (i) current trends in regional and industry-wide compensation practices and (ii) how the Company's compensation programs and practices compare to those of comparable companies in the industry.
- c) Review and make recommendations to the Board regarding the terms and conditions, design, approval, implementation, administration and interpretation of the Company's compensation plans, including any equity-based compensation plans, and each amendment thereof, all subject to final approval by the Board, and take such actions in regard to such plans as may be required by the terms of the plan, provided that equity-based plans and material amendments to equity-based plans shall require shareholder approval as required under applicable laws, rules or regulations or as otherwise required by a Regulatory Body.
- d) Establish, and review annually, share ownership guidelines, if any, for the executive officers of the Company as appropriate.
- e) Determine the eligibility requirements applicable to participants in the Company's compensation plans as may be required by the terms of a plan, and evaluate the performance of each compensation plan, as required under applicable laws, rules or regulations or as otherwise required by a Regulatory Body.
- f) Make recommendations to the Board regarding corporate goals and objectives relevant to compensation of the Executive Chair and, in consultation with the Executive Chair, the CEO, evaluate the Executive Chair's and CEO's performance in light of those goals and objectives and make recommendations to the Board regarding the annual salary, bonus, stock options, share-based awards and other benefits, direct and indirect, of the Executive Chair and the CEO.



- g)** Make recommendations to the Board regarding corporate goals and objectives relevant to compensation of the executive officers, evaluate the performance of the Company's executive officers and make recommendations to the Board regarding the annual salary, bonus, stock options, share-based awards and other benefits, direct and indirect, of the executive officers.
- h)** Review and discuss the relationship between risk management policies and practices and compensation and evaluate compensation policies and practices that could mitigate such risk.
- i)** Review on a periodic basis the operation of the Company's executive compensation programs to determine whether they are properly coordinated and administered.
- j)** Review policies in the area of management prerequisites.
- k)** Oversee management succession planning and make appropriate recommendations to the Board at least annually regarding the appointment and succession of the Company's executive officers.
- l)** Form and delegate authority to subcommittees where appropriate.
- m)** On a periodic basis, as determined necessary or advisable, retain the services of a compensation consultant. The Committee shall approve in advance any other work the consultant performs at the request of management and ensure compliance with the requirements established by Regulatory Bodies related to the retaining and using of such consultants.
- n)** Oversee the Company's compliance with any rules promulgated by any Regulatory Body prohibiting loans to officers and directors of the Company.
- o)** Review and discuss with management the Company's Statement of Executive Compensation, including the compensation discussion and analysis and the related executive compensation information, to be included in the Company's management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of the Company.
- p)** Perform such additional functions as shall be assigned to it by resolution of the Board and exercise such additional powers as may be reasonably necessary or desirable, in the Committee's discretion, to fulfill its responsibilities and duties under this Charter.
- q)** Review, consider, and recommend to the Board (if deemed advisable) all employment, severance or change in control agreements with, and any special or supplemental benefits provided to, any executive officers or directors of the Company.

#### **Board Composition and Director Nominations**

**13.** The Committee shall identify and recommend to the Board qualified director nominees for election at the Annual Meeting.

**14.** The Committee shall:

- a)** review from time to time the size, composition, operation, practice and tenure policies of the Board;
- b)** develop and review periodically the standards to be applied in making determinations as to the presence or absence of material relationships between a director and the Company;
- c)** review annually the competencies, skills and personal qualities required of directors in order to add value to the Company, in light of:
  - i.** the opportunities and risks facing the Company and the Company 's proposed strategy; and
  - ii.** the need to ensure that a majority of the Board is comprised of "independent" directors;



**d)** review periodically the competencies, skills and personal qualities of each existing director, and the contributions made by the director to the effective operation of the Board and review any significant change in the primary occupation of the director; and

**e)** in light of (a), (b), (c) and (d) above, make recommendations for changes to the composition of the Board.

**15.** The Committee shall recruit and consider candidates for nomination as a director, including any candidates recommended by shareholders, having regard to the background, employment and qualifications of possible candidates. The Committee shall:

**a)** consider whether the candidate's competencies, skills and personal qualities are aligned with the Company's needs and any criteria for selecting new directors established by the Board;

**b)** consider the commitment of time and resources that the candidate is able to devote to the Company as a member of the Board in light of what the Company expects from the candidate;

**c)** consider the recommendations of the Executive Chair of the Board, if any; and

**d)** ensure the candidate understands the demands and expectations of being a director of the Company.

#### **Director Protection**

**16.** The Committee shall receive a report from management with respect to the directors and officers' insurance policy of the Company and make recommendations for its renewal or amendment or the replacement of the insurer.

#### **Chief Executive Officer and Other Executive Officers**

**17.** The Committee shall make recommendations to the Board on the selection and evaluation of the CEO and other executive officers, including in respect of the integrity of the CEO and other executive officers, after considering the recommendations of the Executive Chair of the Board, if any, on such matters.

#### **Director Orientation and Continuing Education**

**22.** The Committee shall provide such information to new members of the Board so as to ensure that such directors are familiar with the Company's business and procedures of the Board. Information may include the Company's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The Committee shall ensure that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately. From time to time, the Committee shall arrange on-site tours of the Company's operations.

#### **D. GENERAL**

**23.** Notwithstanding the foregoing and subject to applicable laws, nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations.

**24.** Notwithstanding the foregoing and subject to applicable laws, the Committee may delegate authority to one or more members or subcommittees when deemed appropriate, provided that the actions of any such members or subcommittees must be reported to the full Committee no later than at its next scheduled meeting.

**25.** The Committee is a committee of the Board and it is not and shall not be deemed to be an agent of the Company's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. No provision contained herein is intended to give rise to civil liability to security holders of the Company or any other liability whatsoever.