

## **CHARTER OF THE GOVERNANCE COMMITTEE**

### **I. GENERAL**

#### **1. Purpose of the Committee**

The purpose of the Governance Committee (the "Committee") is to assist the board of directors (the "Board") of Largo Inc. (the "Corporation") in fulfilling its responsibilities relating to environmental, social and governance ("ESG") related matters and director nominations.

#### **2. Authority of the Committee**

- (a) The Committee has the authority to delegate to individual members or subcommittees of the Committee.
- (b) The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its responsibilities.
- (c) In performing its functions, the Committee is entitled to rely on the advice, reports and opinions of management, counsel and other expert advisors.

### **II. PROCEDURAL MATTERS**

#### **1. Composition of the Committee**

The Committee will be composed of a minimum of three members.

#### **2. Member Qualifications**

- (a) Every Committee member must be a director of the Corporation.
- (b) All of the Committee's members must be "independent" as set in Appendix "A" hereto.

#### **3. Member Appointment and Removal**

- (a) Members of the Committee will be appointed by the Board. The members of the Committee will be appointed at the time of each annual meeting of shareholders of the Corporation and will hold office until the next annual meeting of shareholders of the Corporation or until they are removed by the Board or until they cease to be directors of the Corporation.
- (b) If a vacancy occurs at any time in the membership of the Committee, such vacancy may be filled by the Board on the recommendation of the Committee, and will be filled by the Board if the membership of the Committee falls below three directors.

#### **4. Committee Structure and Operations**

(a) Chair

- (i) The Board will appoint one member of the Committee to act as Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board.
- (ii) The Chair of the Committee will chair meetings of the Committee. If the Chair of the Committee is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting.
- (iii) The Chair of the Committee will act as the effective leader of the Committee consistent with the Position Description for Chairs of Committees.

(b) Meetings

- (i) The Chair of the Committee will determine the schedule and frequency of Committee meetings. However, the Committee will meet at least two times per year.
- (ii) The Chair of the Committee will be responsible for developing and setting the agenda for Committee meetings with the assistance of the Chief Executive Officer and the Secretary. Appropriate materials will be provided to the Committee in advance of meetings, although the Committee recognizes that in certain cases this may not be possible. Materials presented to the Committee should be as concise as possible, while providing sufficient information for the members to make an informed judgment.

(c) Notice

Notice of the time and place of a meeting of the Committee will be given to each member not less than 48 hours before the time when the meeting is to be held. No notice of meeting will be necessary if all the members are present or if those absent waive notice of that meeting.

(d) Quorum

A quorum for a meeting of the Committee will be a majority of the members of the Committee.

(e) Attendees

- (i) The Committee may invite such other directors, officers and employees of the Corporation and advisors as it sees fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of matters relating to the Committee.
- (ii) Members may attend meetings of the Committee in person, or by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a member participating in such a meeting by such means will be deemed to be present at the meeting.

(f) In Camera Sessions

At the end of each Committee meeting, the Committee will meet without any members of management or any other persons present.

(g) Records

Minutes of meetings of the Committee will be recorded by the Secretary (or his or her designate) and will be subsequently presented to the Committee for review and approval. The Secretary will maintain a copy of the minutes of all meetings of the Committee.

**5. Committee and Charter Review**

- (a) The Committee will, from time to time as necessary, conduct an assessment of its effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee will report the results of such assessment to the Board.
- (b) The Committee will also review and assess the adequacy of this Charter from time to time as necessary and will recommend changes to the Board. Any changes to this Charter must be approved by the Board.

**6. Reporting to the Board**

The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board.

**III. RESPONSIBILITIES**

**1. General**

The Committee is responsible for:

- (a) reviewing, and coordinating with other Board committees on, general ESG matters;
- (b) developing, reviewing, monitoring and evaluating the Corporation's corporate governance practices;
- (c) considering director nomination matters, including the selection and the nomination of qualified and suitable directors;
- (d) the evaluation of the effectiveness of the Board, its committees and individual directors;

- (e) identifying the principal risks of the Corporation's business related to corporate governance matters and overseeing the implementation of appropriate systems to manage these risks; and
- (f) overseeing the Corporation's compliance with applicable laws and regulations and its compliance with all significant policies and procedures approved by the Board from time to time, in relation to general ESG and corporate governance matters.

## **2. General ESG Matters**

The Committee is responsible for:

- (a) reviewing and recommending to the Board for approval, the Corporation's ESG-related disclosure, policies and procedures, including, without limitation, disclosure, policies and procedures related to anti-bribery and corruption, cybersecurity, climate and environmental matters, supply chain, human rights, health and safety, and management of the relationship with workforce and local communities, together with any ESG metrics and key performance indicators included in such disclosure; and
- (b) coordinating with and obtaining information from the Audit Committee, Operations Committee and Energy Committee as required in connection with the Committee's responsibilities relating to ESG related disclosure, policies and procedures.

## **3. Corporate Governance**

The Committee is responsible for:

- (a) developing and periodically reviewing the Corporation's approach to corporate governance;
- (b) monitoring developments in corporate governance (including in relation to diversity and term limits) and adapting best practices to the needs and circumstances of the Corporation;
- (c) monitoring, evaluating, identifying and making recommendations to the Board as to the effectiveness of the system of corporate governance at the Corporation, including the information requirements of the Board, the frequency and content of meetings and the need for any special meetings, and communication processes between the Board and management;
- (d) reviewing and recommending to the Board for approval, the Corporation's disclosure of its corporate governance practices;
- (e) from time to time as necessary, reviewing the mandate of the Board and the charters of each of its committees and the corporate governance related policies and procedures of the Corporation and making recommendations to the Board with respect to any potential changes to such mandate, charters, policies and procedures;

- (f) from time to time as necessary, reviewing the written position descriptions for the directors, the Chair/Lead Director, the Chairs of Board committees and the Chief Executive Officer of the Corporation and making recommendations to the Board with respect to any potential changes to such position descriptions; and
- (g) making recommendations to the Board on the appointment of directors to each of the Board's other committees, in accordance with the provisions of the charter of each such committee.

#### **4. Director Nominations**

The Committee is responsible for considering and making recommendations to the Board on the size and composition of the Board, with a view to facilitating effective decision-making. The Committee will consider:

- (a) what competencies and skills the Board, as a whole, should possess;
- (b) the competencies and skills each existing director possesses; and
- (c) in recommending new nominees to the Board, the competencies and skills each new nominee will bring to the Board.

#### **5. Orientation and Continuing Education**

The Committee is responsible for overseeing director orientation to facilitate a smooth and timely integration of directors into their new roles as members of the Board. New directors will meet with the Chair of the Board, committee chairs and the Chief Executive Officer, to discuss the Corporation's strategy and business, the culture of the Corporation and its Board. New directors will be provided with an orientation package which includes reports on operations and results, public disclosure filings by the Corporation and corporate governance related documentation (i.e. written mandates, charters, position descriptions and policies and procedures).

The Committee is also responsible for overseeing director continuing education, to provide directors with an ongoing program to assist them in understanding their responsibilities, as well as keeping their knowledge and understanding of the Corporation's business current. Presentations by external experts and management on the business and on specialized and complex aspects of the Corporation's operations will be provided to directors. Directors will identify their continuing education needs through the Board assessments.

#### **6. Board Assessments**

The Committee is responsible for determining and managing the processes for regularly assessing the effectiveness and contribution of the Board, each Board committee and each individual director, with a view to continuous improvement of Board and committee operations. Such assessments will consider:

- (a) in the case of the Board, its mandate;

- (b) in the case of a Board committee, the committee's charter;
- (c) in the case of an individual director, the applicable position description(s), including the Position Description for Directors; and
- (d) monitoring the attendance of each individual director at Board meetings.

Following completion of such assessments, the Committee will identify areas for improvement, if any, and will monitor implementation of any measures designed to address such areas for improvement, if any. The Committee will periodically update the Board on progress in addressing areas for improvement, if any.

## **7. Risk Management**

The Committee is responsible for reviewing and discussing with management the Corporation's major ESG, corporate governance and certain related legal risk exposures and the steps management has taken to monitor and address such exposures. The Committee will report to the Board on its oversight of such risk exposures.

## **8. Compliance**

The Committee is responsible for:

- (a) reviewing and discussing with management the sufficiency of the Corporation's internal legal controls and any issues involving the Corporation's or its employees' compliance with applicable laws and regulations and significant policies and procedures approved by the Board from time to time (other than in relation to financial matters and human resources and compensation matters, which the Audit Committee and Compensation Committee, respectively, will review); and
- (b) (i) reviewing and affirming a written code of business conduct and ethics (the "Code") and ensuring that management has established a system to monitor compliance with and enforce the Code, (ii) obtaining reports from management that the Corporation and its directors, officers and employees are in compliance with the Code, (iii) making recommendations to the Board regarding any waivers from the Code, and (iv) advising the Board with respect to the Corporation's policies and procedures regarding compliance with the Code.

Approved and adopted: May 27, 2019

Updated November, 2022

### **Appendix "A" – Definition of "Independence"**

A director is "independent" if he or she has no direct or indirect material relationship with the Corporation or its parent or subsidiary entities.

A "material relationship" is a relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of the director's independent judgement.

The following people are considered to have a material relationship with the Corporation or its parent or subsidiaries:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation or its parent or subsidiary entities;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation or its parent or subsidiary entities;
- (c) an individual who:
  - (i) is a partner of a firm that is the Corporation's (or its parent's or subsidiary entities') internal or external auditor,
  - (ii) is an employee of that firm, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's (or its parent's or subsidiary entities') audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the Corporation's (or its parent's or subsidiary entities') internal or external auditor,
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's (or its parent's or subsidiary entities') audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation's (or its parent's or subsidiary entities') current executive officers serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation (or its parent or subsidiary entities) received, more than

575,000 in direct compensation from the Corporation (or its parent or subsidiary entities) during any 12 month period within the last three years.

For purposes of (f), direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the Corporation (or its parent or subsidiary entities), and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation (or its parent or subsidiary entities) if the compensation is not contingent in any way on continued service.

Despite the foregoing, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member (a) has previously acted as an interim chief executive officer of the Corporation, or (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the Corporation on a part-time basis.

Furthermore, a director's interests and relationships arising solely from his or her (or any immediate family members') shareholdings in the Corporation are not, in and of themselves, a bar to independence.