

CHARTER OF THE COMPENSATION COMMITTEE

I. GENERAL

1. Purpose of the Committee

The purpose of the Compensation Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Largo Inc. (the “**Corporation**”) in fulfilling its responsibilities relating to compensation, succession planning and other human resources matters.

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 “independent” as set out in Appendix “A” hereto.

3. Member Appointment and Removal

- (a) Members of the Committee will be appointed by the Board, based on the recommendations of the Governance Committee. 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 Governance 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 Corporation's most senior executive responsible for HR and compensation matters and the Corporate 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 Corporate Secretary (or his or her designate) and will be subsequently presented to the Committee for review and approval. The Corporate 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) overseeing the Corporation's employees, including matters relating to compensation, succession planning and other human resources matters;
- (b) identifying the principal risks of the Corporation's business related to human resources matters and overseeing the implementation of appropriate systems to manage these risks; and
- (c) 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 human resources matters.

2. Compensation

The Committee is responsible for:

- (a) reviewing the Corporation's overall compensation philosophy;
- (b) reviewing and making recommendations to the Board with respect to all executive officer and director compensation matters and all incentive compensation and equity-based plans, including:
 - (i) reviewing the corporate goals and objectives relevant to the compensation of the Chief Executive Officer of the Corporation (the "CEO") and the other executive officers of the Corporation and recommending those goals and objectives to the Board;
 - (ii) evaluating the CEO's performance in light of his or her goals and objectives and recommending to the Board its assessment of the CEO's performance and compensation;
 - (iii) through the CEO, reviewing the performance of the other executive officers in light of their goals and objectives and recommending to the Board its assessment of the other executive officers' performances and compensation;
 - (iv) reviewing the adequacy, amount and form of compensation to be paid to each director and making recommendations to the Board based on this review;
 - (v) reviewing and making recommendations to the Board with respect to the adoption and amendment of incentive compensation and equity-based plans, including the number of securities that may be issued under those plans during any particular period;
- (c) with respect to disclosure, obtaining advice on and tracking disclosure requirements related to compensation and reviewing the Corporation's compensation-related disclosure before the Corporation publicly discloses such information; and
- (d) reviewing and approving the selection and terms of reference of any outside consultants retained to provide benchmark analysis and advice on compensation programs.

3. Succession Planning

The Committee is responsible for:

- (a) reviewing reports from the CEO regarding the proposed recruitment, appointment and termination of executive officers reporting to the CEO and making recommendations to the Board; and
- (b) reviewing and recommending to the Board succession plans to be instituted for the CEO position, including the appointment, training and monitoring of potential successors.

4. Risk Management

The Committee is responsible for reviewing and discussing with management the Corporation's major human resources 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.

In particular, the Committee is responsible for considering the implications of the risks associated with the Corporation's compensation policies and practices and recommending to the Board the adoption of practices to identify, and mitigate the effect of, compensation policies and practices that could encourage excessive risk-taking.

5. Compliance

The Committee is responsible for 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 in relation to human resources and compensation matters.

Approved and adopted: May 27, 2019

Updated November 23, 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: (i) 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.

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