



# ELECTRA BATTERY MATERIALS CORPORATION

## CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES

Adopted April 8, 2022

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These corporate governance principles and guidelines (these “**Governance Guidelines**”) have been adopted by the board of directors (the “**Board**”) of Electra Battery Materials Corporation (the “**Company**”).

### I. INTRODUCTION

The Board is committed to adhering to the high standards contained in the Governance Guidelines in its corporate governance practices. The Board intends that these guidelines will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

### II. BOARD AND COMMITTEES

#### *Board and Committee Mandates*

The Board is responsible for the stewardship of the Company and has adopted the Board Mandate setting out the Board’s responsibilities with respect to the stewardship and oversight of the Company and providing for the establishment of standing committees of the Board (which committees currently consist of the Audit Committee and the Compensation, Governance, and Nominating Committee). The mandates of these committees are set out in their respective charters.

The Board shall review and assess, or may delegate to the Compensation, Governance, and Nominating Committee to review and assess, the adequacy of the Board and committee mandates and recommend any proposed changes to the Board for consideration.

#### *Corporate Governance*

The Board has delegated responsibility to the Compensation, Governance, and Nominating Committee for developing the Company’s approach to corporate governance for the Board’s approval, including recommending modifications to these Governance Guidelines for consideration by the Board.

### III. BOARD ORGANIZATION AND MEMBERSHIP

#### *Board Size*

The Board has the ability to increase or decrease its size within the limits set out in the constating documents of the Company. The Board will determine its size with regard to the best interests of the Company. The Board believes that the size of the Board should be sufficient to provide a

diversity of expertise and opinions and to allow effective committee organization, yet be small enough to enable efficient meetings and decision-making and maximize full Board attendance.

### ***Independence***

The Board shall review and make a determination on the independence of each member of the Board as required under applicable securities laws and rules of any stock exchange upon which the securities of the Company are listed, including National Instrument 52-110 – Audit Committees adopted by the Canadian securities administrators and United States securities laws and exchange requirements. The determination of independence of the directors will be publicly disclosed in accordance with applicable securities laws.

### ***Director Selection Criteria and Diversity***

The Compensation, Governance, and Nominating Committee is required under its charter to review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the overall stewardship of the Company. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and be committed to representing the long-term interests of the shareholders. They must also have a genuine interest in the Company and be able to devote sufficient time to discharge their duties and responsibilities effectively.

The Compensation, Governance, and Nominating Committee believes that having a diverse Board can offer a breadth and depth of perspectives that enhance the Board's performance. The Compensation, Governance, and Nominating Committee values diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees are based on merit and past performance as well as expected contribution to the Board's performance, knowledge of the industry and sector in which the Company operates and, accordingly, diversity is taken into consideration. The Compensation, Governance, and Nominating Committee is mandated to identify qualified candidates for nomination as directors and to make recommendations to the Board. When identifying candidates to nominate for election to the Board, the primary objectives of the Compensation, Governance, and Nominating Committee are to ensure consideration of individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities, having regard to the Company's current and future plans and objectives, as well as anticipated industry and market developments. Additionally, in evaluating and identifying potential nominees, the Compensation, Governance, and Nominating Committee evaluates skills which may complement those already serving, or provide additional expertise not already present on the Board.

In furtherance of the Company's commitment to diversity, the Compensation, Governance, and Nominating Committee will balance these objectives with the need to identify and promote individuals who are reflective of diversity for nomination for election to the Board. In particular, the Compensation, Governance, and Nominating Committee will consider the level of representation of women and other diverse candidates on the Board when making

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recommendations for nominees to the Board. At this time, the Company has not adopted any specific targets for recruiting and retaining qualified female directors and senior executives but will promote its objectives through the initiatives set in these Governance Guidelines with a view to continuing to identify and foster the development of a suitable pool of candidates for nomination or appointment.

### ***Election by Shareholders***

At every annual general meeting and in every unanimous shareholder resolution in lieu thereof, all of the directors shall cease to hold office immediately before the election or appointment of directors, but are eligible for re-election or re-appointment. Following a recommendation by the Compensation, Governance, and Nominating Committee, the Board will propose individual nominees to the shareholders for election to the Board at each such meeting.

The shareholders entitled to vote at the annual general meeting for the election of directors may elect, or in a unanimous resolution appoint, the number of directors required to fill the vacancies created. The directors will hold office for the applicable terms contemplated in the staggered board provisions.

Between annual meetings of shareholders, the Board may appoint directors to serve until the next such meeting in accordance with the Company's constating documents. Forms of proxy for the election of directors will permit a shareholder to vote in favour of or to withhold from voting, separately for each director nominee.

### ***Majority Voting***

In an uncontested election (as defined below) of directors, each director should be elected by the vote of a majority of the shares represented in person or by proxy at the shareholders meeting convened for such election of directors. Accordingly, if any nominee for the Board receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director shall promptly tender his or her resignation to the Chair of the Board following the meeting, such resignation to be effective on acceptance by the Board. The Chair of the Board will refer the resignation to the Compensation, Governance, and Nominating Committee for consideration, who will make a recommendation to the Board as to whether or not to accept the resignation.

The Board will promptly accept the resignation unless the Board determines, in consultation with the Compensation, Governance, and Nominating Committee, that there are exceptional circumstances relating to the composition of the Board or the voting results that should delay the acceptance of the resignation or justify rejecting it. In any event, it is expected that the resignation will be accepted (or rejected) within 90 (ninety) days of the meeting. A director who tenders a resignation pursuant to this policy shall not participate in any meeting of the Board or the Compensation, Governance, and Nominating Committee at which the resignation is considered.

Following the Board's decision, the Company shall promptly issue a press release announcing its decision. In the event that the Board determines not to accept the resignation, the press release shall fully state the reasons for such decision.

Subject to any applicable corporate law restrictions or requirements, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of shareholders. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or it may call a special meeting of shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

For these purposes, an “uncontested election” means an election of directors where the number of nominees for election as a director equals the number of directors to be elected. It shall not apply where an election involves a proxy battle i.e., where proxy materials are circulated, a solicitation of proxies is carried out or other public communications are disseminated in support of one or more nominees who are not part of the director nominees supported by the Board or public communications are disseminated, against one or more nominees who are supported by the Board.

### ***Term Limits for Directors***

The Board has determined that fixed term limits for directors should not be established. The Board is of the view that such a policy would have the effect of forcing directors off the Board who have developed, over a period of service, increased insight into the Company and who, therefore, can be expected to provide an increasing contribution to the Board. At the same time, the Board recognizes the value of Board renewal as may be appropriate from time to time and shall consider any recommendations made by the Compensation, Governance, and Nominating Committee in that regard.

## **IV. BOARD COMMITTEES**

The Board has determined that there should be two standing committees of the Board: (i) the Audit Committee; and (ii) the Compensation, Governance, and Nominating Committee. The Board may amend the Board committee structure and authorize and appoint other committees as it considers appropriate, including ad hoc committees for special purposes. The Board shall approve a charter for each standing committee of the Board, which charter shall set forth the purpose, authority, duties and responsibilities of each committee.

### ***Membership of Committees***

The Board has determined that the Audit Committee and the Compensation, Governance, and Nominating Committee shall each be comprised of a minimum of 3 (three) directors determined by the Board to be independent. In addition, all members of the Audit Committee shall be financially literate and, if required by applicable laws, rules and regulations, at least one member will be a financial expert.

The Board shall appoint the members of the committees from time to time and as necessary to fill vacancies, and shall appoint the chair of each committee. Members of the committees will hold office at the pleasure of the Board.

### ***Oversight of Committee Functions***

The committees shall assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for all matters assigned to a Board committee. Except as may be explicitly provided in the charter of a Board committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board for the Board's approval of matters considered by the committee. Each director will have access to minutes of committee meetings, regardless of whether the director is a member of such committee.

## **V. BOARD MEETINGS & MATERIALS**

### ***Meeting Agendas***

The Chair, in consultation with the chair of any applicable committee and other directors, as appropriate, shall establish the agenda for Board meetings. If the Chair is not an independent director then the independent lead director should act as the effective leader of the Board and ensure the Board's agenda will enable it to successfully carry out its duties.

### ***Meeting Materials***

Board and committee meeting materials will be provided to directors, to the extent possible, before each Board or committee meeting in sufficient time to ensure adequate opportunity exists for review.

### ***Meetings of Independent Directors***

The independent members of the Board will also meet, as required, without the non-independent directors and members of management before or after each regularly scheduled meeting in camera.

## **VI. DIRECTOR RESPONSIBILITIES AND PERFORMANCE**

### ***Director Responsibilities***

Directors are expected to use their skill and experience to provide oversight over the business and affairs of the Company. Directors have a statutory duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.

### ***Attendance***

Directors are expected to attend all Board and committee meetings either in person or by conference call. A director shall notify the Chair of the Board or the chair of a committee if the director will not be able to attend or participate in a meeting. The Company is required to publicly disclose the directors' attendance record on an annual basis. To the extent possible, directors are expected to review and be familiar with Board and committee meeting materials which have been provided in sufficient time for review prior to a meeting. Directors may advise the Chair of the

Board or the chair of a committee of matters which they believe should be added to a meeting agenda.

### *Access to Management*

Board members have complete and open access to the Company's management. Board members are expected to use their judgment to ensure that this contact is not distracting to the operations of the Company or to management's duties and responsibilities.

### *Outside Advisors for Individual Directors*

Any director who wishes to engage an independent advisor to assist on matters involving the discharge of his duties and responsibilities as a director at the expense of the Company should review the request with, and obtain the authorization of the Compensation, Governance, and Nominating Committee.

### *Assessment of Board and Committee Performance*

The Compensation, Governance, and Nominating Committee is mandated to undertake assessments of the overall performance and effectiveness of the Board and each standing committee of the Board and report on such assessments to the Board. The purpose of the assessments is to ensure the continued effectiveness of the Board in discharging its duties and responsibilities and the effective operation of the governance framework and to contribute to a process of continuing improvement.

### *Conflicts of Interest*

Directors have a statutory responsibility to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has a conflict of interest. A director will recuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.

## **VII. DIRECTOR ORIENTATION AND EDUCATION**

The Compensation, Governance, and Nominating Committee may implement an orientation process for directors that includes background material on the Company's policies and procedures and meetings with senior management. The Company may also offer continuing education programs to assist the directors in maintaining the level of expertise to perform their duties.

## **VIII. DIRECTOR COMPENSATION**

The Compensation, Governance, and Nominating Committee will review and recommend to the Board the type and amount of director compensation for Board and committee service for directors in accordance with applicable legal and regulatory guidelines. Compensation for directors and committee members should be consistent with market practices of similarly situated companies. In determining compensation, the Board will consider the impact on the director's independence and objectivity.

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**IX. SUCCESSION PLANNING**

The Compensation, Governance, and Nominating Committee should develop and periodically review with the Chief Executive Officer a plan with respect to executive officers' succession and recommend to the Board appropriate individuals who might fill those positions. The Chief Executive Officer should also recommend and evaluate potential successors. The Chief Executive Officer will also review any development plans for those potential successors.

**X. CODE OF CONDUCT**

The Company's policy is that all its activities be conducted with honesty and integrity and in compliance with all legal and regulatory requirements. The Company's Code of Business Conduct and Ethics sets out the guidelines and principles for ethical conduct. The Board shall review the Code of Business Conduct and Ethics to consider whether to approve changes in the Company's standards and practices. Compliance with the Code of Business Conduct and Ethics is monitored by the Board through the Compensation, Governance, and Nominating Committee.

**XI. DISCLOSURE**

Certain documents and information referred to in these Governance Guidelines may be accessed through the Company's website: [www.electrabmc.com](http://www.electrabmc.com). As required by applicable law, certain information is posted on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar).

The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, when circumstances indicate that a departure is in the best interest of the Company and its shareholders, and no provision contained herein is intended to give rise to civil liability to shareholders, competitors, employees or other persons, or to any other liability whatsoever.