

## **CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER**

### **PURPOSE**

1. The purpose of the Corporate Governance, Nominating and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Collective Mining Ltd. (the “Company”) is to assist the Board in:
  - (a) establishing the Company’s corporate governance policies and practices generally;
  - (b) identifying and reviewing individuals qualified to become members of the Board and senior executive officers;
  - (c) reviewing the composition of the Board and its committees;
  - (d) promoting a culture of integrity throughout the Company;
  - (e) monitoring, reviewing and approving human resources and compensation policies and practices of the Company and administering the Company’s securities-based compensation plans, and providing recommendations to the Board and management; and
  - (f) reviewing the Company’s organizational structure, organizational effectiveness and transparency standards on an annual basis when significant changes are proposed or deemed necessary, and providing recommendations to the Board and management.
2. With respect to its compensation related responsibilities, the Committee will be guided by the following principles:
  - (a) to offer competitive compensation to attract, retain and motivate qualified executives and employees in order for the Company to achieve the strategic goals and budgets approved by the Board; and
  - (b) act in the best interests of the Company by being financially responsible.

### **COMPOSITION**

3. The Committee shall be appointed by the Board annually and shall be comprised of a minimum of three directors. If an appointment of the members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed. The Board may fill a vacancy that occurs in the Committee at any time.





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4. A majority of the members of the Committee shall be directors whom the Board has determined are independent, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.
5. The Chair of the Committee shall be designated by the Board from among the members. Such Chair shall serve as a liaison between members and senior executive officers. The Chair shall not be a former officer of the Company.

## MEETINGS

6. The Committee will meet regularly at times necessary to perform the duties described herein in a timely manner, but not less than two times per year. Meetings may be held at any time deemed appropriate by the Committee.
7. A majority of the members of the Committee will constitute a quorum at each meeting.
8. The Committee will hold an in camera session without any senior executive officers present at each meeting.
9. The time and place at which meetings of the Committee are to be held, and the procedures at such meetings, will be determined from time to time by the Chair.
10. The Committee will keep minutes of its meetings which shall be available for review by the Board.
11. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
12. The Committee may invite such directors, senior executive officers and other employees of the Company and such other advisors and persons as is considered appropriate to attend any meeting of the Committee.
13. Any matter to be determined by the Committee will be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Any action of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterpart) and any such action will be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.
14. The Committee will report its determinations and recommendations to the Board.

## RESOURCES AND AUTHORITY

15. The Committee has the authority to:



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- (a) engage, at the expense of the Company, independent counsel and other experts or advisors as the Committee determines necessary to carry out its duties;;
- (b) retain and terminate any search firm to be used to identify director candidates and to approve the search firm's fees and other retention terms;
- (c) determine and pay the compensation for any independent counsel and other experts or advisors retained by the Committee;
- (d) conduct any investigation in the Company's business or affairs that it considers appropriate within the scope of its responsibilities; and
- (e) request any senior executive officer, or outside counsel for the Company, to attend any meeting of the Committee or to meet with any members of, or independent counsel or other experts or advisors to, the Committee.

## RESPONSIBILITIES - NOMINATING

16. The Committee shall, with the assistance of individual directors from time to time:

- (a) recommend and review suitable candidates for nominees for election or appointment as directors and specify which of the following criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors at the relevant time, form the basis of each recommendation:
  - (i) selection criteria
    - (A) personal qualities and characteristics, accomplishments, expertise and reputation in the business community, including as how such factors relate to ensuring the diversity of the Board;
    - (B) current knowledge and contacts in the countries and/or communities in which the Company does business and in the Company's industry sectors or other industries relevant to the Company's business; and
    - (C) ability and willingness to commit adequate time to Board and Committee matters, and be responsive to the needs of the Company;
- (b) maintain an overview of the entire membership of the Board ensuring that qualifications required under any applicable laws are maintained;
- (c) review annually the credentials of nominees for re-election to be named in the management proxy materials for re-election, considering:





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- (i) an evaluation of the effectiveness of the Board and the performance of each director;
  - (ii) the continuing validity of the credentials underlying the appointment of each director; and
  - (iii) continuing compliance with the eligibility rules under the conflict of interest guidelines;
- (d) consider recommending to the Board if deemed appropriate at the time, a candidate for the position of Lead Director from among the independent directors, in the event the Chairman of the Board is not independent;
- (e) whenever considered appropriate, direct the Chairman of the Committee to advise each candidate, prior to the appointment, of the credentials underlying the recommendation of the candidate's appointment;
- (f) recommend to the Board annually, the appointment of Board members to each of the Board's committees. Where a vacancy occurs at any time in the membership of any Board committee, recommend to the Board a member to fill such vacancy; and
- (g) make recommendations to the Board from time to time as to changes in the size of the Board.
17. The Committee will:
- (a) monitor the appropriateness of implementing structures, or of the structures implemented from time to time to ensure that the Board can function independently of the senior executive officers of the Company;
  - (b) provide an orientation program for new directors which advises them of the role of the Board and its committees, (ii) the nature of the business and affairs of the Company, and (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments;
  - (c) provide continuing education opportunities to existing directors so that individual directors can maintain and enhance their skills and competencies and ensure that their knowledge of the business and affairs of the Company remains current, at the request of any individual director;
  - (d) respond to, and if appropriate, authorize requests by, other Board committees and individual directors to engage independent counsel or other experts or advisors at the expense of the Company;





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- (e) implement a process for assessing the effectiveness of the Board as a whole, the committees of the Board and individual directors based upon: (i) for individual directors and committee members, the mandate of the Board and Mandates of the appropriate committees of the Board, respectively; and (ii) for individual directors, their respective position descriptions (if any) as well as the skills and competencies which individual directors are expected to bring to the Board; and
- (f) ensure that an annual review is undertaken of the Company's directors and officers insurance and indemnities and the adequacy of such coverage.

## **RESPONSIBILITIES – CORPORATE GOVERNANCE POLICIES AND DISCLOSURE**

18. The Committee will monitor on a continuing basis and, whenever considered appropriate, shall make recommendations to the Board concerning the corporate governance of the Company, including:
- (a) reviewing and assessing the Company's corporate governance policies and practices and conducting an annual review of the Company's corporate governance guidelines;
  - (b) reviewing and making recommendations to the Board regarding international standards that the Company may consider adopting, and reviewing compliance with such standards;
  - (c) reviewing and assessing the independence of each of the directors;
  - (d) evaluating the functioning of the Board (including with respect to its ability to function independently of management), its committees (including this Committee) and individual directors on an annual basis;
  - (e) reviewing at least annually the position descriptions of the Chairman of the Board, Chief Executive Officer (the "CEO") and, if applicable, the Lead Director;
  - (f) reviewing and approving for recommendation to the Board the annual disclosure of the Company's corporate governance practices in compliance with the requirements of the Canadian Securities Administrators and other applicable regulatory authorities;
  - (g) reviewing and approving for recommendation to the Board any significant amendments to the Company's disclosure policy; and
  - (h) assessing shareholder proposals as necessary for inclusion in the management information circular, and make appropriate recommendations to the Board.





## RESPONSIBILITIES – RELATED PARTY TRANSACTIONS

19. The Committee is responsible for:
- (a) considering, or presenting to the Board for consideration, any transaction involving the Company and any “related party” as that term is defined in applicable laws (each a “Related Party Transaction”);
  - (b) monitoring any Related Party Transaction and reporting to the Board on a regular basis regarding the status of any Related Party Transaction; and
  - (c) if considered advisable, establishing guidelines and parameters within which the Company shall be entitled to engage in Related Party Transactions without the specific prior approval of the Committee or the Board.

## RESPONSIBILITIES – COMPENSATION

20. The Committee is responsible for:
- (a) reviewing the Company’s efforts to attract and retain a qualified and productive employee force and promote employee morale and satisfaction;
  - (b) reviewing and making recommendations to the Board on the Company’s policies and programs for promotion, development, training and incentives for human resources;
  - (c) reviewing and making recommendations to the Board on the Management Succession Plan;
  - (d) reviewing and making recommendations to the Board on the Company’s overall compensation strategy to ensure that rewards are commensurate with Company success and the creation of value for its members, and that the strategy supports the achievement of the Company’s objectives;
  - (e) reviewing the Company’s organizational structure on an annual basis, when significant changes are proposed, or when it deems it appropriate and providing recommendations to the Board and Management to ensure the organizational structure supports the Company’s strategic goals and objectives;
  - (f) reviewing and making recommendations to the Board with respect to the corporate goals and objectives relevant to the compensation of the CEO, evaluating the performance of the CEO in light of those goals and objectives, and recommending to the Board the compensation level of the CEO based on this evaluation;





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- (g) reviewing and making recommendations to the Board with respect to the compensation of the directors;
- (h) reviewing and approving the annual compensation of all other senior executive officers of the Company, as recommended by the CEO, for recommendation to the Board;
- (i) reviewing and making recommendations to the Board, as appropriate, in connection with the Company's succession planning with respect to the CEO and other senior executive officers;
- (j) reviewing and approving as necessary, prior to extending an offer, any recommendations with respect to material terms and conditions of employment of senior executive officers, including retirement, termination of employment or other special circumstances, as appropriate, for recommendation to the Board;
- (k) overseeing and approving awards under the Company's Stock Option Plan in accordance with its terms, and administering all matters relating to any other securities based compensation arrangement of the Company and any employee bonus plan of the Company to which the Committee has been delegated authority pursuant to the terms of such plan or by a resolution passed by the Board;
- (l) making recommendations to the Board with respect to the Company's securities based compensation arrangements that are subject to Board approval;
- (m) reviewing and approving the annual disclosure relating to executive compensation contained in the management information circular of the Company for recommendation to the Board;
- (n) reporting regularly to the Board on compensation matters; and
- (o) reviewing and making recommendations to the Board on management's strategy and budget for any collective or union negotiation with the Company's employees.

#### **RESPONSIBILITIES OF THE COMMITTEE CHAIR**

21. The fundamental responsibility of the Committee Chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Committee Chair's responsibilities shall include:
- (a) working with the Chairman of the Board, the CEO, the Lead Director, if any, and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;
  - (b) providing leadership to the Committee and presiding over Committee meetings;





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- (c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (d) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (e) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
- (f) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

### **ADOPTION**

This Mandate was adopted by the Board on May 20, 2021.



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