



## SPROTT INC.

### COMPENSATION COMMITTEE CHARTER

#### General

The board of directors (the "**Board**") of Spratt Inc. (the "**Corporation**") has delegated the responsibilities, authorities and duties described below to the compensation committee (the "**Committee**"). For the purpose of this charter, the term "Corporation" includes the Corporation and its subsidiaries.

The overall purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to human resources and compensation by developing, monitoring and assessing the Corporation's approach to the development and succession of key executives and the compensation of its directors, senior management and employees.

#### Members

1. The Committee will be comprised of a minimum of three directors, each of whom shall be, independent within independence standards established by the Board and all applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.
2. Members of the Committee shall be appointed annually by the Board at the first meeting of the Board *after* the annual general meeting of shareholders at which he or she is elected. Any member of the Committee may be removed or replaced at any time by the Board and shall serve until such member's successor is appointed, unless that member resigns or otherwise ceases to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.
3. The Chair of the Committee will be designated by the Board, on the recommendation of the Committee, or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair of the Committee shall, among other things, have the following duties and responsibilities:
  - (a) overseeing the structure, effectiveness of the Committee, membership and activities delegated to the Committee;
  - (b) chairing meetings of the Committee and encouraging free and open discussion at such meetings, including encouraging members to ask questions and express viewpoints during meetings;
  - (c) scheduling and setting the agenda for meetings of the Committee with input from other members of the Committee, the Board and management as appropriate;
  - (d) facilitating the timely, accurate and proper flow of information to and from the Committee, including reporting periodically to the Board;
  - (e) arranging sufficient time during meetings of the Committee to discuss agenda items;
  - (f) taking reasonable steps to ensure the duties of the Committee are understood by members; and
  - (g) carrying out such other duties as may reasonably be requested by the Board.

## Meetings

4. The Committee will meet at least four times per year and meetings will be scheduled to facilitate the Committee carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Chair of the Committee. The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee. The Committee shall have an in camera session without non-independent directors and management as a regular feature of each regularly scheduled meeting. Any director of the Corporation may request the Chair of the Committee to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such director, and may participate in such meeting to the extent permitted by the Chair of the Committee.
5. Meetings of the Committee shall be validly constituted if a majority of the members of the Committee is present in person or by tele- or video-conference. A resolution in writing signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee duly called and held.
6. The Committee may invite such officers, directors, and employees of the Corporation as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the duties of the Committee.
7. The Committee shall submit the minutes of all meetings to the Board, and when requested to, shall discuss the matters discussed at each Committee meeting with the Board.

## Committee Charter and Performance

8. This charter sets out the Committee's mandate and responsibilities, which the Committee shall review and assess the adequacy of and the effectiveness of the Committee at least annually and recommend changes to the Board for approval.
9. The Committee shall present to the Board the results of its evaluation. In conducting the review of the Committee's performance, the Committee shall address all matters that it deems relevant to its performance, including as applicable the following: the adequacy, appropriateness and quality of information and recommendations of the Committee to the Board, the manner in which they were discussed and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and informed matter.
10. Authority to make minor technical amendments to this charter is hereby delegated to the Corporation's corporate secretary, who will report any such amendments to the Board at its next meeting.

## Committee Authority and Responsibilities

11. The Committee shall have the power and authority of the Board to perform the following duties and fulfill the following responsibilities:

### *Selection and Succession Planning*

- (a) Recommend to the Board candidates for Chief Executive Officer (the "**CEO**"), President and all other senior management (collectively, "**Senior Executives**") and approve the terms of their appointment and termination or retirement.
- (b) Review succession planning programs for Senior Executives and contingency preparedness, including programs to appoint, train, develop and monitor Senior Executives, to ensure that they are effective in building and retaining future talent and support diversity.

- (c) Review specific career planning for potential successors, monitor the progress and development of Senior Executives in accordance with succession plans and recommend to the Board changes to succession plans for Senior Executives.
- (d) Annually review the adequacy of existing succession pools for Senior Executives.
- (e) Adhere to the Corporation's Diversity Policy when reviewing and considering the appointment of candidates for Senior Executive positions and succession planning.

#### *Compensation Policies and Practices*

- (f) Review the compensation policies and practices of the Corporation to ensure that they are competitive and that they provide appropriate motivation for corporate performance and increased shareholder value, and make recommendations to the Board regarding same.
- (g) Oversee the administration of the Corporation's compensation programs, including any incentive compensation plans and equity-based plans, and the nature of the compensation provided under such programs to ensure that all management compensation programs are linked to meaningful and measurable performance targets.
- (h) Make recommendations to the Board regarding the adoption, amendment or termination of compensation programs and the formal approval of the adoption, amendment and termination of compensation programs of the Corporation, including for greater certainty, ensuring that if any equity-based compensation plan is subject to shareholder approval, that such approval is sought.
- (i) Establish and evaluate the appropriateness of performance goals for performance-based compensation and make recommendations to the Board regarding same.
- (j) Annually review and evaluate the implications of the risks associated with the Corporation's compensation policies and practices and, if necessary, identify practices that can be used to identify and mitigate such policies and practices that could encourage inappropriate or excessive risk taking.
- (k) Periodically survey the executive compensation practices of other comparable companies and report back to the Board.
- (l) To the extent it deems necessary, review and approve the terms of any compensation "clawback" or similar recoupment policy of the Corporation.
- (m) Review and, if advisable, approve compensation for any newly hired individual (whether or not a Senior Executive) whose total annual compensation (including salary, bonus and any other incentive compensation) exceeds Cdn.\$1,000,000.

#### *Senior Executives*

- (n) Develop and recommend to the Board position description for the CEO (which will include delineating management's responsibilities), and review and make recommendations to the Board on an annual basis regarding the corporate goals and objectives for the CEO, evaluate the CEO's performance against such goals and objectives, and report its findings and conclusions to the Board.
- (o) Annually review, in consultation with the Chair of the Board, and make such recommendations to the Board, as are appropriate based on its review, regarding the CEO's annual base salary, the CEO's bonus and any stock option grants and other awards to the CEO under the Corporation's compensation programs. In evaluating the CEO's compensation, the Committee will consider the Corporation's performance and relative shareholder return, the compensation of CEOs at other companies, and the CEO's compensation in past years.

- (p) Annually review, in consultation with the Chair of the Board, and make recommendations to the Board regarding the performance of, and the annual base salary and bonus targets for, the other Senior Executives.
- (q) Establish, if deemed necessary by the Committee, and recommend to the Board share ownership guidelines for Senior Executives and policies (including pre-approval requirements) for the number and type of boards of directors that Senior Executives may join (except for board of directors that Senior Executives are asked by the Corporation to join in connection with their employment).
- (r) Review and recommend to the Board for approval the annual report on executive compensation required to be prepared under applicable corporate and securities legislation, regulation and rules including the disclosure concerning members of the Committee and settle the reports required to be made by the Committee in any document required to be filed with a regulatory authority and/or distributed to shareholders.

*Compensation Plans and Employee Bonus Pool*

- (s) Determine (or delegate the authority to determine) and recommend to the Board for approval (i) the award of stock options under the Corporation's stock option plan and/or benefits or awards under the Corporation's employee profit sharing plan, equity incentive plan for U.S. service providers and/or any other compensation plans, and (ii) on an annual basis, allocations to employees of bonus compensation under the Employee Bonus Pool.
- (t) Review and recommend to the Board for approval any new compensation and benefit plans or changes to existing plans for Executives.

*Human Resource Policies and Oversight*

- (u) Annually review and make such recommendations to the Board, as are appropriate, with respect to, the Corporation's key human resources policies and programs, including diversity policies.

*General*

- (v) Provide regular reports of the Committee's activities to the Board.
  - (w) At the request of the Board, investigate and report on such other matters as it considers necessary or appropriate in the circumstances.
12. In this charter, "diversity" refers to any characteristic that can be used to differentiate groups and people from one another. It includes, but is not limited to, characteristics such as gender, geographical representation, education, religion, ethnicity, race, nationality, culture, language, aboriginal or indigenous status and other ethnic distinctions, sexual orientation, political affiliation, family and marital status, age, disability, and industry experience and expertise.
  13. The Chair of the Committee shall have the power and authority to award routine equity grants in reasonable amounts to new employees.
  14. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Corporation.
  15. The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

### **Authority to engage outside advisors**

16. The Committee has the sole authority to engage, set the compensation for and oversee the work of outside advisors as it determines necessary to carry out its duties, including, but not limited to identifying and reviewing candidates to serve as directors or officers and engaging compensation consultants.
17. The Committee may retain compensation consultants, outside counsel or any other advisors to the Committee only after taking into consideration, pursuant to the rules of the New York Stock Exchange, all factors enumerated therein relevant to that person's independence from management and such other factors as the Committee shall deem relevant. Nothing herein requires a compensation consultant, legal counsel or other advisor to the Committee to be independent, only that the Committee consider the factors described above before selecting or receiving advice from a compensation consultant, legal counsel or other advisor. The Committee may select or receive advice from any compensation consultant, legal counsel or other advisor it prefers, including ones that are not independent, after considering the factors described above.
18. The Committee shall conduct the independence assessment with respect to any compensation consultant, legal counsel or other advisor that provides advice to the Committee, except that, to the extent permitted by the rules of the New York Stock Exchange and applicable law, the Committee may determine not to conduct the independence assessment with respect to: (i) in-house legal counsel and (ii) any compensation consultant, legal counsel or other advisor whose role is limited to the following activities: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Corporation, and that is available generally to all salaried employees; or providing information that either is not customized for the Corporation or that is customized based on parameters that are not developed by the compensation consultant, and about which the compensation consultant does not provide advice.
19. The Corporation shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of (a) compensation to any advisors engaged by the Committee, and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
20. Nothing herein shall be construed: (a) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other advisor to the Committee; or (b) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

March 21, 2022