



## **DYNACOR GROUP INC.**

### **GOVERNANCE POLICY**

(UPDATED AUGUST 2023)

The Board of Directors (the “**Board**”) of Dynacor Group Inc. (the “**Corporation**”) recognizes the importance of sound and well-founded governance principles and practices. They are essential to good management and the overall results obtained by the Corporation.

#### **1. PURPOSE AND SCOPE**

Good governance requires that the roles and responsibilities of the different components of the Board and its members are properly defined and understood. The purpose of this policy is to define such roles and responsibilities and ensure that the Corporation has a strong governance structure in place to carry out its mandate effectively and comply with laws and regulations of each jurisdiction in which its business is carried on, including rules and guidelines of stock exchanges to which the Corporation is subject (“**Applicable Laws**”).

This policy applies to the Corporation, particularly members of the Board and Board committees.

#### **2. ETHICAL AND RESPONSIBLE DECISION-MAKING**

##### **2.1 Code of Conduct**

The Board has adopted a Code of Conduct (the “**Code of Conduct**”) which embeds the Corporation’s values, and guides the Board, management and the broader workforce as to the expected standards of behaviour. It helps to ensure the appropriate degree of integrity in the Corporation’s dealings. Corporation personnel and suppliers are also informed of the values and expected behaviour under the Code of Conduct. The Code of Conduct is available on the Corporation’s website: <https://dynacor.com/corporate-governance/>, together with the charters of the Board and of each Board committee.

The Corporation also has a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour, and these are subject to periodic review.

The Code of Conduct and other key policies can be found on the Corporation’s website, including the Disclosure Policy, the Securities Trading Policy, the Majority Voting Policy and the Clawback Policy. The Corporation’s Sustainability Statement can also be found on the Corporation’s website.

### **3. GUIDING PRINCIPLES OF CORPORATE GOVERNANCE**

#### **3.1 Board: Composition**

The Board determines the number of members that make up the Board in accordance with the Corporation's articles and by-laws.

The majority of Board members must be independent, as per the standards of independence established in the *Regulation 58-101 respecting Disclosure of Corporate Governance Practices*, and amongst them at least three must meet the independence criteria required of an audit committee member under *Regulation 52-110 respecting Audit Committees*.

The Chair of the Board must be an independent director.

The Governance, Nomination and Compensation Committee assesses the nature of the relationship between each Board member and the Corporation, reviews annually the independence and qualifications of Board members and make recommendations to the Board accordingly.

Directors are required to inform the Board of any changes to their interests or relationships that could bear upon their independence.

The Board regularly reviews its structure, size and composition to ensure that it has the range of skills, expertise and experience required for robust decision-making and effective governance of the Corporation.

The Corporation's intention is that the Board encompasses a mix of diversity (including in relation to gender, age, culture and experience) and a broad range of skills in key areas relevant to the Corporation's business.

The Board, in collaboration with the Governance, Nomination and Compensation Committee, utilises a skills and experience matrix to set out the skills and experience mix that the Board is looking to achieve in its membership, to identify the current directors who have such skills and experience and to identify any gaps or areas to focus on for future appointments or training.

#### **3.2 Board: Role and Responsibilities**

The Board determines the strategic direction of the Corporation, regularly reviews the appropriateness of it, and oversees its implementation. The Board is ultimately accountable to the Corporation's shareholders for the performance of the business. The Board has delegated to the President and Chief Executive Officer ("CEO") all the powers and authorities required to manage the Corporation's business, except those expressly reserved to the Board and its committees.

The role and responsibilities of the Board, which are detailed in the charter of the Board available on the Corporation's website at <https://dynacor.com/corporate-governance/>, include the following:

- a) Ensure that the Corporation's mission is carried out effectively and in compliance with Applicable Laws.
- b) Approve the strategic goals, the action plans, the policies including risk management policies and make sure that they are applied.
- c) Create the appropriate Committees and define their mandates.
- d) Oversee the implementation of the Corporation's Code of Conduct, policies and committees' charters. Implementation should be efficient and transparent and in the best interests of the Corporation.
- e) Follow up on its decisions and assume responsibility of its decisions relative to the shareholders.
- f) Periodically evaluate the Corporation's performance.
- g) Ensure, in cooperation with the President and CEO, that there is an effective succession plan in place for the President and CEO position and the other senior management positions of the Corporation.
- h) Identify the main operational risks facing the Corporation. Ensure that they are adequately monitored, that appropriate controls are in place and that all necessary mitigation measures are taken.
- i) Ensure that open and transparent communication channels are maintained between the Corporation and all of its stakeholders and vice-versa.

### **3.3 Chair of the Board: Role and Responsibilities**

The Chair of the Board is designated by the Board and selected amongst the independent directors. In addition to the responsibilities applicable to all directors of the Corporation, the responsibilities of the Chair of the Board include the following:

- a) In accordance with the by-laws of the Corporation, preside at all meetings of the Corporation's shareholders and of the Board.
- b) Plan and organize the activities of the Board. Establish the agenda for the meetings of the Board in consultation with management and ensure the proper timely flow of information to the Board sufficiently in advance of the meetings.
- c) Develop and maintain a good working relationship between the President and CEO and all members of the Board to assure open communication, cooperation, interdependence, mutual trust, respect, and commonality of purpose.
- d) Assist the President and CEO and other members of the senior management team in the short and long range planning activities of the Corporation, including the Corporation's strategic goals.

- e) In conjunction with the President and CEO, represent the Corporation in meetings with regulatory authorities and governmental agencies, and before its stakeholders, including shareholders, managers and employees, the investment community, the industry and the public.
- f) Ensure that the responsibilities of Board members are clearly understood by the directors.
- g) Ensure that the Board members are present at meetings of the Board and that they work together as a team.
- h) Interview and ensure that the members of the Board express their opinion on how the Board and its committees are functioning and take their comments and suggestions into account.
- i) Ensure that the Board members have the necessary resources and training if necessary to efficiently carry out their mandates.
- j) Assume the lead role in evaluating the performance of the Board, its committees and the Board members.
- k) Report the results of the final performance evaluations to each member of the Board, to the chair of each committee of the Board and to the Board itself.
- l) Evaluate the performance and define the objectives for the President and CEO, jointly with the Governance, Nomination and Compensation Committee.
- m) Ensure that there is an efficient exchange of information between the Board members by using appropriate means of communication.
- n) Ensure non-executive directors discuss the Corporation's affairs among themselves, without the presence of management.

### **3.4 Directors: Role and Responsibilities**

The main responsibilities and functions of a director are:

- a) To understand the mission, vision, corporate values and the overall strategies of the Corporation.
- b) To be fully informed and to update whenever necessary his/her understanding of the operational activities of the Corporation as well as the concomitant operational risks.
- c) Unequivocally confirm his/her adherence to the Code of Conduct and all the other corporate governance policies and charters.
- d) Diligently divulge without delay to the Board any personal or professional situation or fact that may lead to a conflict of interest or a change in the status of the relationship between the Corporation and the director.

- e) Proactively participate in the work and discussions of the Board and Board committees of which a director is a member.
- f) Prepare for the Board and committee meetings by reading all the relevant documentation and by asking for any additional information when necessary;
- g) Participate in any useful training sessions and courses that may be periodically organized.
- h) Strive to attend all, and attend no less than 80%, of the meetings of the Board and meetings the Board committees to which a director has been appointed.

### **3.5 Directors: Minimum Shareholding Rules**

After a 5-year period as a member of the Board, a director must have a \$100,000 investment in the Corporation as follows:

- › \$50,000 in common shares of the Corporation (“**Shares**”); and
- › \$50,000 as a mix of shares and Deferred Share Units (“**DSU**”).

The value of a Share or a DSU is recorded as the value of the Share/DSU on the date of the purchase/award. For greater clarity, any change in the value of the Share price subsequent to the purchase will not be taken into account when calculating the aggregate \$100,000 investment.

Furthermore, a director shall not participate in any way or manner in hedging, forward contracts or short selling of the Corporation’s stock as a means of monetizing the value of his/her Shares and/or DSU.

### **3.6 Directors: Compensation**

Compensation and trends are periodically assessed, with the assistance of professional independent remuneration consultants as required, so that Board membership of a high standard is maintained and market compensation trends are reflected. Compensation of non-executive directors is adjusted where necessary to align with compensation paid to board members of comparable TSX-listed corporations.

Compensation of Board members and members of committees is recommended yearly by the Governance, Nomination and Compensation Committee. Expenses incurred by a Board member to attend a meeting of a committee or the Board may be paid in addition to attendance fees and retainers.

Every year the Board reports to the shareholders on the meetings attendance record of, and compensation paid to, each director.

### **3.7 Board Committees**

In order to assist the Board in fulfilling its overall mandate and its responsibilities, the Board has created the following committees:

- The Audit and Risk Management Committee
- The Governance, Nomination and Compensation Committee
- The Environment and Sustainability Committee
- The Information Technologies Committee

The mandates and the responsibilities of each committee are defined in their respective charter approved by the Board and periodically updated, as necessary.

The Board can at any time create special committees with specific mandates.

### **3.8 Performance: Evaluation of the Board and its Directors**

A review of the performance and effectiveness of the Board, Board committees and directors is undertaken annually. Performance evaluations are carried out in an independent manner that ensures anonymity and freedom to speak out for all the directors.

The Board sets the modalities and the process of performance evaluation using peer reviews and/or auto-evaluations.

Auto-evaluation are conducted using a Board-approved form. Once they have been completed, they are delivered anonymously to the chair of the Governance, Nomination and Compensation Committee that collates and organizes the data with the other members of the Committee.

The compiled results are then sent to the Chair of the Board. The chair of the committees are also interviewed by the Chair of the Board. The latter and the President and CEO then prepare the final performance evaluations. The Chair of the Board then meets each Board member individually to report on the results of the evaluation.

### **3.9 Access to Information and External Advisors**

All directors have direct access to all relevant Corporation information and to the Corporation's senior officers. Directors, the Board and the committees also have access to independent legal, accounting or other professional advisors as necessary, at the Corporation's expense.

## **4 RISK MANAGEMENT**

The Board recognises that risk management and internal controls are fundamental to sound management, and that oversight of such matters is a key responsibility of the Board. The Board's role in relation to risk is to confirm that systems are in place which facilitate the effective identification, management and mitigation of any significant financial and non-financial risks, including environmental, social and governance related risks, to which the Corporation is exposed.

The Audit and Risk Management Committee assists the Board to fulfil its responsibilities in relation to risk. Its role in relation to risk is to: (a) review the overall adequacy and effectiveness of the risk framework, risk identification and assessment process and methodology (including processes for the identification of new and emerging risks) and risk culture of the Corporation; and (b) oversee identification, management and mitigation of risks, and report to the Board.

Responsibility for monitoring some elements of the risk framework, risk identification and assessment process and methodology may be allocated to other Board committees from time to time. For example, the identification, management and mitigation of environmental and sustainability risks is overseen by the Environment and Sustainability Committee.

The Corporation's risk management system includes processes which outline how to identify and evaluate potential material risk events and establish management plans to improve control effectiveness and reduce the likelihood and consequence of the risk events occurring. The aim is to provide an overarching, uniform and consistent process for identifying, assessing, monitoring and managing material risks which is embedded within business activities. These risks include strategic, operational, external and financial risks.

The Corporation also considers business resilience, including crisis management and business continuity planning and the provision of effective financing strategies, including insurance, for managing risk.

The Audit and Risk Management Committee reviews the risk framework on at least an annual basis to satisfy itself that it continues to be sound and that the Corporation is operating with due regard to the Corporation's risk appetite approach.

A summary of risks and how the Corporation manages or intends to manage those risks, is set out in the Corporation's Annual Information Form which may be viewed on the Corporation's profile at [www.sedar.com](http://www.sedar.com).

## **5 SUSTAINABILITY**

The Corporation is committed to produce gold in a responsible manner. The Corporation's sustainability practices ensure continued focus and deliberate action to help shape a positive future for people, communities and society. The Corporation's approach and commitments with respect to sustainability are aligned with industry frameworks and may be viewed in the Corporation's Sustainability Statement.

Public reporting and an intent to keep the Corporation's stakeholders informed is a component of the Corporation's commitment to sustainability. The Corporation's annual ESG Report outlines Corporation's safety, health, economic, environmental and social

contribution and performances to the regions where it operates and to the communities in proximity to those operations.

The Corporation's ESG Report and Sustainability Statement can be found on the Corporation's website: <https://dynacor.com/corporate-governance/>.

The Environment and Sustainability Committee oversees, monitors and reviews the Corporation's practices and governance in the area of sustainability, environment, social performance and human rights and security.

## **6 MARKET COMMUNICATION**

The Board recognises the importance of keeping the market fully informed of the Corporation's activities and of stakeholder communication in a timely, balanced and transparent manner, and is committed to compliance with the disclosure requirements applicable to the Corporation. The Corporation's guidelines and practices with respect to market communication can be found in the Corporation's Disclosure Policy.

## **7 CORPORATE GOVERNANCE DISCLOSURE**

In order to ensure that the Corporation's stakeholders have complete and transparent access to the Corporation's governance guidelines and practices, the Corporation's Code of Conduct, charters of the Board and of each Board committees, key policies and Sustainability Statement are available on the Corporation's website: <https://dynacor.com/corporate-governance/>.

The Corporation also includes the following information in its annual information form and/or annual management information circular, available on the Corporation's profile at [www.sedar.com](http://www.sedar.com).

- director training activities and courses attended during the previous financial year;
- a summary of the activities of each Board committee and its achievements during the previous financial year;
- means by which stakeholders can communicate with the members of the Board (including independent directors).

## **8 REVIEW**

The Board shall review and assess annually, or as otherwise determined by the Board, the adequacy of this Policy and update it as necessary.