

# ESG COMMITTEE CHARTER



**NOUVEAU MONDE** GRAPHITE



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## I. GENERAL

### 1. MANDATE AND PURPOSE OF THE COMMITTEE

The purpose of the ESG Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Nouveau Monde Graphite inc. (the “**Corporation**”) with oversight of the Corporation’s environmental, social and governance (ESG) matters, as well as health and safety, well-being, and sustainability management systems, policies, and programs.

While the Committee has primary oversight responsibility with respect to ESG matters, the Committee will refer to other committees of the Board specific subject matters that are within the purview of those committees, such as human resources matters.

### 2. AUTHORITY OF THE COMMITTEE

- (a) The Committee has the authority to delegate to subcommittees, provided however that the Committee shall not delegate any power or authority required by any law, regulation, rule or listing standard to be exercised by the Committee as a whole.
- (b) The Committee has the authority, and the Corporation will provide it with proper funding to enable it, to:
  - (i) engage independent counsel and other advisors as it determines necessary or advisable to carry out its duties and to set and pay the compensation for any such advisors;
  - (ii) conduct or authorize investigations into or studies of matters within the scope of the Committee’s responsibilities; and
  - (iii) obtain information it requires from employees, officers, directors and external parties.
- (c) The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any independent legal counsel or other advisor retained by the Committee.
- (d) In selecting independent counsel or another advisor, the Committee shall consider all factors relevant to that advisor’s independence from management, though nothing herein requires such advisor to be independent, only that the Committee consider relevant independence factors before selecting or receiving advice from the advisor.

## II. PROCEDURAL MATTERS

### 1. COMPOSITION

The Committee shall be comprised of at least three members, a majority of whom shall be independent directors within the meaning of applicable Canadian and United States securities laws and the NYSE corporate governance standards (the “**independent directors**”).

### 2. MEMBER APPOINTMENT AND REMOVAL

Committee members will be appointed by the Board upon the recommendation of the Governance Committee. The members of the Committee will be appointed promptly after each annual shareholders’ meeting and will hold office until successors are appointed, they are removed by the Board or they cease to be directors of the Corporation.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board upon the recommendation of the Governance Committee.

### 3. COMMITTEE STRUCTURE AND OPERATIONS

#### (a) Chair

The Board will appoint one Committee member to act as its chair (the “**Chair**”), provided that if the Board does not so designate a Chair, the Committee, by a majority vote, may designate a Chair. The Chair may be removed at any time at the discretion of the Board. The incumbent Chair will continue in office until a successor is appointed or he or she is removed by the Board or ceases to be a director of the Corporation. If the Chair is absent from a meeting, the Committee will, by majority vote, select another Committee member to preside at that meeting.

#### (b) Meetings

The Chair will be responsible for developing and setting the agenda for Committee meetings and determining the time, place and frequency of Committee meetings, provided that any two members of the Committee may call a Committee meeting.

#### (c) Notice

Notice of the time and place of every Committee meeting will be given verbally or in writing to each member of the Committee at least 24 hours prior to the time fixed for such meeting.

**(d) Quorum**

A majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all the Committee members or at a Committee meeting at which a quorum of the Committee is present 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. At Committee meetings, Committee actions shall require approval of a majority of Committee members.

**(e) Attendees**

The Committee may invite any directors, officers and senior management of the Corporation and any advisors as it deems appropriate from time to time to attend Committee meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Committee. The Committee will meet *in camera* at each meeting, where only the independent directors will be present.

**(f) Secretary**

The Committee will designate a person who need not be a member of the Committee to act as secretary or, if the Committee fails to designate such a person, the Corporate Secretary of the Corporation will be secretary of the Committee. The agenda of the Committee meeting will be prepared by the Chair of the Committee, working with the Corporate Secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

**(g) Records**

Minutes of Committee meetings will be recorded and maintained by the Committee's secretary and will be presented to the Chair for review. Minutes of each meeting shall be approved by the Committee at the next Committee meeting or otherwise, as soon as practically possible.

#### **4. COMMITTEE AND CHARTER REVIEW**

In conjunction with the Governance Committee, the Committee will annually review and assess its performance, effectiveness, and contribution, including an evaluation of whether this Charter appropriately addresses the matters that are and should be within its scope. The Committee will conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board, including any recommended changes to this Charter.

#### **5. REPORTING TO THE BOARD**

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

### **III. RESPONSIBILITIES**

#### **6. ESG and Sustainability**

The Committee is responsible for:

- (a) recommending to the Board for approval, as necessary, and review periodically the Corporation's plans, initiatives, policies, standards, procedures, processes, systems and programs with respect to environmental, social and governance matters ("ESG"), including sustainability, tailings management, water stewardship, climate risks and opportunities, site restoration, biodiversity, social responsibility, community and Indigenous Peoples relations;
- (b) ensuring the Corporation's compliance with applicable legal and regulatory requirements, permit commitments and contractual requirements associated with ESG matters;
- (c) encouraging, assisting, supporting and counseling the Corporation's management in its efforts to implement and promote ESG best practices throughout its organization;
- (d) monitoring evolving industry practices, laws and regulations, and current and emerging issues, trends and initiatives in the ESG areas, and providing appropriate guidance to the Board as to their impact on the Corporation and its operations;
- (e) reviewing ESG-related risks and opportunities, including management's strategies to monitor, control or mitigate such risks, and capitalize on such opportunities, and report its findings to the Board;
- (f) reviewing periodic reports from management and consultants on ESG

performance, including any significant concerns, incidents, issues, claims, complaints, proceedings or instances of noncompliance and proposed actions or recommendations, and report its findings to the Board;

- (g) overseeing the investigation of significant environmental and sustainability incidents, as appropriate;
- (h) reviewing results of internal and external audits on ESG performance, and management's actions and recommendations in relation to such audits, and report its findings to the Board;
- (i) overseeing material communications with employees, shareholders, local communities, Indigenous Peoples, and other stakeholders with respect to ESG matters, climate resiliency, and sustainability;
- (j) reviewing material public reporting and disclosure relating to the Corporation's ESG performance, including any ESG or sustainability report produced by the Corporation;
- (k) monitoring and reviewing climate change-related risks and opportunities;
- (l) monitoring and reviewing the management of tailings, designate one or more accountable executive officers or senior management for such purpose, and receive periodical reports from management in this respect;
- (m) recommending actions for developing policies, programs and procedures to create opportunities by establishing mutually beneficial relationships with the Corporation's local communities, and Indigenous Peoples;
- (n) reviewing the Corporation's performance with respect to social engagement matters, including, without limitation, whether the Corporation's social engagement policies are being implemented and adhered to, and their objectives achieved;
- (o) addressing emerging concerns as well as community perceptions, areas of sensitivity, local traditions and receiving valuable feedback;
- (p) monitoring and reporting on management's procedures regarding enforcement of community engagement policies including, among other things, appropriate oversight and reporting; and
- (q) reporting regularly and on a timely basis to the Board on matters coming before the Committee relating to community engagement policies and activities of the Corporation for consideration.

## 7. Health and Safety, and Well-being

The Committee is responsible for:

- (a) reviewing and monitoring the health, safety and well-being policies and activities of the Corporation to ensure compliance with applicable laws, regulations, policies and practices as they relate to the Corporation's employees;
- (b) recommending actions for developing policies, programs and procedures to ensure that the principles set out in the Corporation's policies related to the health, safety and well-being of its employees in the workplace are being adhered to and achieved;
- (c) review the Corporation's performance with respect to health and safety matters, including, without limitation, whether the Corporation's health and safety policies are being implemented and adhered to and their objectives achieved;
- (d) monitoring and reporting on management's procedures regarding enforcement of health and safety policies including, among other things, appropriate oversight, reporting and emergency response plans;
- (e) reviewing health and safety issues and incidents to determine, on behalf of the Board, that management is taking appropriate action in respect of those matters and that management has been diligent in carrying out its responsibilities and activities in that regard; and
- (f) reporting regularly and on a timely basis to the Board on matters coming before the Committee relating to health and safety policies and activities of the Corporation for consideration and the manner of disposition, including without limitation, on the state of compliance with applicable laws and adherence to the Corporation's policies.

## IV. LIMITATION ON DUTIES OF THE COMMITTEE

The Committee shall discharge its responsibilities and shall assess the information provided by the Corporation's management and any external advisors in accordance with its business judgment. Committee members are not full-time Corporation employees. Committee members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information, and on the accuracy and completeness of the information provided.

Nothing in this Charter is intended or may be construed as to impose on any Committee member or the Board a standard of care or diligence that is in any way more onerous or extensive than



the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the Corporation's amended articles of incorporation or by-laws or any law, regulation, rule or listing standard to which the Corporation is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws, regulations, rules and listing standards. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to Corporation securityholders or other liability whatsoever.

**This Charter is amended and restated by the Board on September 13, 2023 and updated on May 14 2024.**