

## **KRUGER PRODUCTS INC.**

### **CORPORATE GOVERNANCE COMMITTEE CHARTER**

#### **1. DEFINITIONS**

In this charter:

“**Board**” means the board of directors of the Corporation;

“**Code of Ethics**” means the code of ethics and business conduct of the Corporation;

“**Committee**” means the corporate governance committee of the Corporation established by the Board;

“**Corporation**” means Kruger Products Inc.;

“**NI 52-110**” means National Instrument 52-110 *Audit Committees*; and

“**Shareholders Agreement**” means the unanimous shareholders agreement between the Corporation, KP Tissue Inc., KPGP Inc., Kruger Inc. and 13582141 Canada Inc. dated January 1, 2023, as the same may be amended and/or restated from time to time.

#### **2. PURPOSE**

The Committee is responsible for overseeing and assessing the functioning of the Board and the committees of the Board, for the development, recommendation to the Board, implementation and assessment of effective corporate governance principles for the Corporation and for the implementation and monitoring of the Code of Ethics. The Committee’s responsibilities also include reviewing proposed candidates for director and making recommendations to the Board, subject to the director nomination rights under the Shareholders Agreement.

#### **3. SPECIFIC DUTIES**

The Committee shall perform the following duties for the Corporation:

##### **3.1 Corporate Governance**

The Committee is responsible for reviewing at least annually the Corporation’s approach to governance issues to ensure that it is effective and efficient and enables the business and affairs of the Corporation to be carried out, directed and managed with the objective of enhancing Corporation shareholders value and shall recommend revisions to the Corporation’s corporate governance guidelines accordingly. The Committee shall make recommendations to the Board respecting the adoption of a Board policy limiting the number of boards on which directors may sit.

##### **3.2 Board Matters**

3.2.1 The Committee shall review proposed candidates for director and make recommendations to the Board, subject to the terms of the Shareholders Agreement, including determining whether candidates nominated by a third party pursuant to the Shareholders Agreement meet the requirements set out therein.

3.2.2 The Committee shall:

- (a) develop and review periodically standards to be applied in making determinations as to the presence or absence of material relationships between a director and the Corporation;
- (b) review annually the competencies, skills and personal qualities required of directors in order to add value to the Corporation, in light of:
  - (i) the opportunities and risks facing the Corporation and the Corporation’s proposed strategy; and
  - (ii) the Corporation’s corporate governance guidelines and the number of boards on which

directors may sit; and

- (c) review periodically the competencies, skills and personal qualities of each existing director, and the contributions made by the director to the effective operation of the Board and review any significant change in the primary occupation of the director.

### **3.4 Director Orientation and Continuing Education**

The Committee shall oversee an orientation program to familiarise new directors with the Corporation's business and operations, including the Corporation's reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors. The Committee shall also oversee ongoing educational opportunities for all directors.

### **3.5 Code of Ethics**

3.5.1 The Committee shall:

- (a) establish and periodically update the Code of Ethics and be responsible for granting any waivers from the application of the Code of Ethics; and
- (b) review the monitoring and compliance by management of the Corporation with the Code of Ethics.

### **3.6 General**

The Committee shall undertake on behalf of the Board such other corporate governance initiatives as may be necessary or desirable to enable the Board to provide effective corporate governance for the Corporation and contribute to the success of the Corporation and enhance shareholder value.

## **4. MEMBERSHIP**

- 4.1 The Committee shall be made up of three members each of whom shall be a member of the Board. The Committee shall at all times be constituted in accordance with the terms of the Shareholder Agreement.
- 4.2 At least two members of the Committee shall be "independent" as that term is defined in NI 52-110 and the standards of any stock exchange on which the Corporation's securities are listed, subject to any permitted transitional provisions.
- 4.3 Members shall serve one-year terms and may serve consecutive terms to ensure continuity of experience. Members shall be appointed each year to the Committee by the Board. A member of the Committee shall automatically cease to be a member upon ceasing to be a director of the Corporation. Any member may resign or be removed by the Board from membership on the Committee or as Chair of the Committee.
- 4.4 The Board shall appoint the Chair of the Committee. In the absence of the Chair, the remaining members of the Committee present at a fully convened Committee meeting may elect one of their number to chair the meeting. The Board shall determine the period for which the Chair of the Committee holds office.
- 4.5 The Board may from time to time remove members from the Committee.

## **5. SECRETARY**

The Board shall designate from time to time the secretary of the Committee from one of the members of the Committee or, failing that, the Corporation's corporate secretary shall act as secretary of the Committee, unless otherwise determined by the Committee.

## **6. MEETINGS**

- 6.1 The Committee shall meet at least once in each year.
- 6.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any member of the Committee.

- 6.3 Unless otherwise agreed, at least six working days' notice shall be given of each meeting of the Committee. The notice period may be waived by all members of the Committee.
- 6.4 Unless otherwise agreed, notice of each meeting of the Committee shall:
- (a) confirm the venue, time and date of the meeting;
  - (b) include an agenda of items to be discussed at the meeting; and
  - (c) be sent to each member of the Committee, the secretary and any other person required, invited or entitled to attend the meeting.
- 6.5 Supporting papers shall be sent to members of the Committee and to other attendees at the same time as the relevant notice.
- 6.6 The quorum necessary for the transaction of business by the Committee shall be a majority of the members of the Committee and a duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.7 Only members of the Committee shall have the right to attend meetings of the Committee. However, others (such as the other directors, officers of the Corporation and external advisers) may be invited to attend and speak at (but not vote at) a meeting of the Committee as and when appropriate.
- 6.8 Meetings of the Committee may be held by conference telephone or similar communications equipment whereby all members participating in the meeting can hear each other.
- 6.9 Matters for decision by the Committee shall be decided by a majority decision of the members. In the case of an equality of votes, the Chair of the Committee will not be entitled to a casting vote.

## **8. MINUTES**

- 8.1 The secretary of the Committee shall minute the proceedings and resolutions of Committee meetings and record the names of those present and in attendance.
- 8.2 The secretary of the Committee shall ascertain, at the start of each Committee meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Following each meeting of the Committee, the secretary shall circulate, for comment, draft minutes to each member who was present at the meeting.
- 8.4 After approval and signing of the minutes by the chair of the Committee meeting, the secretary shall circulate copies of the minutes to all members of the Board (unless a conflict of interest exists).

## **9. AUTHORITY**

- 9.1 The Committee is a committee of the Board and as such exercises such powers of the Board as have been delegated to it.
- 9.2 The Committee is authorised by the Board to investigate any activity within its terms of reference.
- 9.3 The Committee is authorised to:
- (a) seek any information it requires in order to perform its duties;
  - (b) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;
  - (c) set and pay the compensation for any advisors employed by the Committee;
  - (d) commission any reports or surveys, which it deems necessary, to help it fulfil its obligations;
  - (e) secure the attendance of external advisors at its meetings (if it considers it necessary);
  - (f) call any officer to be questioned at a meeting of the Committee as and when required, all at the

Corporation's expense; and

- (g) delegate its authority and duties to a subcommittee or individual members of the Committee, as it deems appropriate, provided that the subcommittee is composed entirely of independent directors.

#### **10. OWN PERFORMANCE**

At least once a year, the Committee shall review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.