



## NOMINATION, GOVERNANCE, COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE CHARTER

May 7, 2020

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### I. PURPOSE

The primary objectives of the Nomination, Governance, Compensation and Leadership Development Committee (the "**Committee**") of Lithium Americas Corp. ("**LAC**") are to:

- A. Assist LAC's board of directors (the "**Board**") in fulfilling its oversight responsibilities by:
  - (i) identifying individuals qualified to become Board and Board committee members and recommending that the Board select director nominees for appointment or election to the Board; and
  - (ii) developing and recommending to the Board corporate governance guidelines for LAC and making recommendations to the Board with respect to corporate governance practices.
- B. Review senior leadership development and succession planning for LAC.
- C. Discharge the Board's responsibilities relating to compensation and benefits of the executive officers and directors of LAC.
- D. Develop and oversee LAC management's ("**Management**") compensation policies and programs.

### II. COMPOSITION

- A. The Committee will be composed of three or more directors, all of whom are independent directors of LAC and who otherwise satisfy the laws governing LAC and the experience requirements of securities law, stock exchanges and any other regulatory requirements.
- B. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, will appoint a Chair and the other members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- C. The Secretary of the Committee shall be elected by its members.
- D. A member shall cease to be a member of the Committee upon ceasing to be a director of LAC.

### III. COMMITTEE RESPONSIBILITIES

To fulfill the mandate and responsibilities of the Committee, the Committee shall:

#### A. Nomination

- (i) Periodically review the size and composition of the Board and recommend adjustments from time to time to ensure that the Board is of a size and composition that facilitates effective decision making.
- (ii) Establish and implement processes to identify and assess the necessary and desirable competencies and characteristics for Board membership with a view to ensuring that the Board possesses, as a whole, an appropriate mix of expertise, skills, attributes and personal and professional backgrounds given the nature of LAC's business, with due consideration given to diversity of gender, age, race, ethnicity, cultural background and other factors the Committee sees fit.
- (iii) In fulfilling its responsibilities to identify individuals qualified to become members of the Board, consider (a) the independence of each nominee; (b) the experience and background of each nominee; (c) a balance of skills for the Board and its committees to meet their respective mandates; (d) the past performance of directors being considered for re-election; (e) applicable regulatory requirements; and (f) such other criteria as may be established by the Board or the Committee from time to time.
- (iv) Identify individuals qualified to become members of the Board and consider each individual on the basis of merit and review, interview and make suitable extensive enquiries to find candidates, including:
  - (a) regularly assessing the extent to which the desired competencies and characteristics for Board membership established in (ii) are represented on the Board;
  - (b) the competences and skills necessary for the Board, as a whole, to possess;
  - (c) regularly assessing and determining the time commitment needed from each Board member to adequately perform his or her duties;
  - (d) making suitable inquiries of others (which may include professional executive search and recruitment consultants) for candidates;
  - (e) interviewing each candidate and conducting background and reference checks; and
  - (f) ensuring that each candidate has the necessary skills, experience and knowledge to perform his or her duties and responsibilities as a director and is able to devote the time necessary to perform those duties and responsibilities.
- (v) Make recommendations to the Board for the appointment or election of director nominees.

- (vi) Consider and advise the Board with regard to unsolicited nominations of Director candidates.
- (vii) Periodically review the appropriateness of any qualifications, policies or restrictions on Board service, including term limits, any retirement policy and the participation of the director on other boards or committees thereof.
- (viii) Develop and periodically review guidelines, lists of potential candidates, expectations and plans, as appropriate, for Board member succession.
- (ix) Develop and recommend procedures for selection of the Non-Executive Chair of the Board (the “**Non-Executive Chair**”) and if considered necessary or appropriate an alternate thereto or other “lead director”; identify and recommend a director for the position of Non-Executive Chair.
- (x) Regularly review the time required from non-executive directors to perform their functions and assess whether they are satisfying those time requirements.
- (xi) In accordance with LAC’s Majority Voting Policy, consider and make a recommendation as to the acceptance of resignations tendered by directors under such policy.
- (xii) Recommend the removal of directors for cause.

**B. Corporate Governance Practices**

- (i) Prepare and recommend to the Board the corporate governance policies and procedures for LAC.
- (ii) Review, monitor and assess, at least annually, the adequacy of LAC’s corporate governance policies, practices and procedures, including, without limitation, in light of ongoing developments in securities law, stock exchanges and regulatory requirements, and industry best practices, relating to matters of corporate governance and recommend to the Board any changes deemed appropriate by the Committee.
- (iii) Ensure systems are in place to verify compliance with regulatory, corporate governance and disclosure requirements.
- (iv) Review and recommend to the Board any disclosure regarding LAC’s corporate governance practices to be included in LAC’s public disclosures or any regulatory filings in accordance with applicable laws and regulations. The Committee shall communicate with other Board committees as necessary regarding disclosure of items under their respective charters.
- (v) Review and make recommendations to the Board with respect to any shareholder proposal or requisition received by LAC.
- (vi) With regard to LAC’s Code of Business Conduct and Ethics (the “**Code**”):
  - (a) review and update periodically the Code and ensure that Management has established a system to enforce the Code;

- (b) review actions taken to ensure compliance with the Code and the results of confirmations and violations of such Code;
  - (c) ensure the Code, any revisions to the Code and any waivers to the Code granted by the Board are disclosed in a manner that meets regulatory guidelines; and
  - (d) ensure that any departures from the Code by a director or senior officer that constitute a “material change” within the meaning of National Instrument 51-201 *Disclosure Standards*, are reported in a manner that fully meets regulatory requirements.
- (vii) Review any proposed changes to LAC’s articles and by-laws as such documents relate to corporate governance matters.
  - (viii) Ensure that Board has appropriate structures and procedures so that the Board can function with the proper degree of independence from Management, and provide a forum without Management present to receive expressions of concern, including a concern regarding the independence of the Board from Management.
  - (ix) Ensure that the responsibilities of the Board are well understood by both the Board and Management.
  - (x) Assist the Board in the fulfillment of its enterprise risk management oversight specifically relating to Board structure, membership and corporate governance compliance.
  - (xi) Review independence, interlocking Board, multiple Board memberships and multiple appointments to committees of directors.
  - (xii) At the request of an individual director, consider and, if deemed advisable, authorize the retaining by any individual director of an outside advisor for such director at the expense of LAC.
  - (xiii) Receive comments from all directors as to the Board's performance, oversee the execution of a process assessing, at least annually, the effectiveness of the Board as a whole, the Board committees, of each director, and of Management and report annually to the Board on such assessments.
  - (xiv) Work with Management to establish (and review the efficacy of) an orientation program for new directors, which shall be designed to, among other things, familiarize new directors with the full scope of LAC’s business and operations, key management personnel and risks and the expectations of the contribution of time or resources expected of the directors.
  - (xv) Work with Management to establish (and review the efficacy of) continuing education programs for existing directors which are appropriate and relevant to enable the directors to maintain and enhance their skills and abilities and ensure their knowledge and understanding of LAC’s business remains current.

- (xvi) Establish at least annually criteria for membership to the Board committees and identify and recommend directors who the Board considers to be “independent” (as that term is used in applicable securities legislation and such additional factors as the Board may consider appropriate) to serve as members on each Board committee. The Committee will review and consider director’s requests for appointment to specific Board committees.
- (xvii) Establish and coordinate with the Chair of each committee the criteria and method for evaluating the effectiveness of such committee.
- (xviii) Review and assess, at least annually, charters of the Board and each Board committee and, if necessary, make such recommendations to the Board for amendments to such charters.

**C. Leadership and Succession**

- (i) Review and assist with the development of leadership and executive succession plans, including, without limitation, leadership development goals and plans for each executive determined by the Committee.
- (ii) Periodically review the Management organizational structure and any proposals made by the Chief Executive Officer with respect to changes thereto.
- (iii) Evaluate and make recommendations to the Board regarding potential successors to the Chief Executive Officer, and to evaluate and approve candidates to fill (or be successors to) other executive positions.
- (iv) Oversee the establishment and annual review of the composition of a peer group of comparable companies and target competitive positioning of LAC within that group for executive compensation purposes.
- (v) Oversee compensation arrangements with respect to the succession plans for each executive.
- (vi) Review and make recommendations for approval of the Board with respect to adoption of, including any material changes to, pension plans and oversee the management of LAC’s pension plans, if any.
- (vii) Review and make recommendations for approval of the Board with respect to retirement, change in control, retention, severance or other special arrangements as the Committee may consider appropriate.
- (viii) Review LAC’s performance with respect to leadership and succession matters, including, without limitation, whether LAC’s leadership and succession plans and policies are being implemented and adhered to and their objectives achieved.
- (ix) Report on a periodic basis and at least annually to the Board on leadership and succession matters and on the state of adherence to the policies of LAC, including, without limitation, an assessment of each executive’s progress against individual leadership development goals and plans.

**D. Compensation Philosophy and Objectives**

- (i) Review, on an annual basis, Management's proposals regarding overall employee compensation philosophy, policies and practices, both domestic and international, including the objectives of any compensation program or strategy or element thereof in relation to the alignment thereof with LAC's overall business, strategic plans and risks.
- (ii) Make recommendations to the Board with respect to LAC's overall human resources and compensation philosophy, policies and practices, and oversee Management's development of such compensation policies and practices.

**E. CEO and Senior Executive Compensation**

- (i) Review and approve, on an annual basis at the beginning of each year, the Chief Executive Officer's and Management's performance goals and objectives relevant to compensation.
- (ii) Assess and report to the Board on the performance of the Chief Executive Officer at the end of each year, as measured against the performance objectives established at the beginning of that year and the performance of LAC overall.
- (iii) Review, on an annual basis, and recommend for approval by the Board the compensation to be paid to the Chief Executive Officer based on the evaluation of the Chief Executive Officer's performance and the performance of LAC overall.
- (iv) Assess and report to the Board on the Chief Executive Officer's recommendations regarding the performance of Management at the end of each year as measured against the performance goals and objectives established at the beginning of that year.
- (v) Review and make recommendations for approval by the Board, on an annual basis, for Management's compensation based on the Chief Executive Officer's recommendations, and an evaluation of the performance of each member of Management and the performance of LAC overall.
- (vi) Duly consider whether the compensation policies for the Chief Executive Officer and Management:
  - (a) adequately take into account the associated risks in the area of compensation;
  - (b) properly reflect their respective duties and responsibilities;
  - (c) are designed to be competitive in attracting, retaining and appropriately motivating senior management personnel of high quality;

- (d) are considered against market compensation data for similar roles and levels of responsibility within LAC's industry peer group so as to offer a competitive compensation package that appropriately rewards accomplishment and results through an overall remuneration package;
- (e) align the interests of the Chief Executive Officer and Management with the shareholders to maximize shareholder value;
- (f) are based on established corporate and individual performance objectives; and
- (g) are consistent with the terms of any applicable executive employment contracts.

**F. Director and Employee Compensation**

- (i) Make recommendations to the Board with respect to director compensation.
- (ii) Duly consider whether the compensation arrangements for the independent directors is comparable with LAC's peer group companies and make recommendations to the Board for amendments to such arrangements when warranted so that compensation:
  - (a) takes into account the associated risks in the area of compensation;
  - (b) properly reflects the respective duties and responsibilities of independent directors;
  - (c) is designed to be competitive in attracting, retaining and appropriately motivating directors of the highest quality;
  - (d) is competitive and appropriately rewards the independent directors as an overall remuneration package;
  - (e) takes into account the performance of LAC overall; and
  - (f) aligns the interests of the independent directors with the shareholders to maximize shareholder value.
- (iii) Recommend to the Board the compensation to be paid to committee members.
- (iv) Annually receive from the Chief Executive Officer recommendations concerning annual compensation policies and budgets for all employees (other than Management).
- (v) Review with the Chief Executive Officer LAC's policies on compensation for all employees and overall labour relations strategy for employees (other than Management).

**G. Equity Compensation Plans**

- (i) Review on a periodic basis the overall design and terms and conditions of LAC's incentive compensation plans and equity compensation plans and any benefit or compensation plan LAC may subsequently choose to adopt.
- (ii) Administer such of LAC's equity and incentive compensation plans as may be required under the terms thereof.
- (iii) Review any proposed amendments to LAC's equity and incentive compensation plans.
- (iv) Review and approve the Chief Executive Officer's recommendations for equity compensation grants to employees, consultants and advisors.
- (v) Review and make recommendations for approval by the Board of equity compensation grants to Management and directors of LAC.

**H. Other Matters**

- (i) Prepare or cause to be prepared any executive and director compensation disclosure required under applicable securities legislation, including the Compensation Discussion & Analysis included in LAC's management information circulars.
- (ii) Review and make recommendations for approval by the Board of the public disclosure(s) outlined above.
- (iii) Perform any other activities consistent with this charter, LAC's articles and by-laws and governing law as the Committee or the Board deems necessary or appropriate.
- (iv) Annually conduct a self-assessment of the performance of the Committee and the members thereof and report such findings to the Board. This review shall seek to identify specific areas, if any, in need of improvement or strengthening.
- (v) Review, on an annual basis or as necessary, LAC's directors' and officers' insurance and indemnity arrangements and make recommendations to the Board with respect to any desired changes thereto.
- (vi) Report at regularly scheduled Board meetings on matters coming before the Committee, including annually reporting the Committee's assessment of the Board's and Management's performance.

**IV. AUTHORITY AND RESOURCES**

- A. The Committee has the authority to engage independent counsel, consultants (including compensation consultants) and other advisors as it deems necessary or advisable to carry out its duties and responsibilities and the Committee will set the compensation for such advisors.
- B. The Committee may select such outside compensation consultants after taking into consideration all factors relevant to such advisors' independence from Management.

- C. In connection with their service on the Committee, the members shall be entitled to such remuneration, payment or reimbursement of such incidental expenses and indemnification, on such terms as the Board may so determine from time to time.
- D. LAC shall provide the Committee with such resources, personnel and authority as the Committee may require in order to properly carry out and discharge its roles and responsibilities hereunder.
- E. The Committee and its members shall have access to such documents or records of LAC and to such officers, employees or advisors of LAC or require their attendance at any meeting of the Committee, all as the Committee or the members thereof may consider necessary in order to fulfill and discharge their responsibilities hereunder.
- F. The Committee shall review and assess the adequacy of this charter on a regular basis and consider whether this charter appropriately addresses the matters that are or should be within its scope and, where appropriate, make recommendations to the Board for the alteration, modification or amendment hereof.
- G. This charter may, at any time, and from time to time, be altered, modified or amended in such manner as may be approved by the Board.

## **V. MEETINGS**

- A. The Committee shall meet as often as it considers necessary, but at least twice per calendar year and, subject to the terms hereof and applicable law, otherwise establish its procedures and govern itself as the members of the Committee may see fit in order to carry out and fulfill its duties and responsibilities hereunder.
- B. The times and places where meetings of the Committee shall be held and the procedures at such meetings shall be as determined, from time to time, by the Committee.
- C. Meetings of the Committee may be called by the Chair of the Committee or any other member of the Committee. Not less than 48 hours advance notice of any meeting shall be given orally or in writing personally delivered or by facsimile or electronic mail together with an agenda to each member of the Committee unless all members of the Committee are present at any meeting and agree to waive notice and any absent member of the Committee has waived notice or otherwise consented to the holding of such meetings in writing.
- D. A majority of members of the Committee will constitute a quorum (provided that a quorum shall not be less than 2 members). Decisions of the Committee will be by an affirmative vote of the majority of those members of the Committee voting at a meeting. In the event of an equality of votes, the Chair will not have a casting or deciding vote. The Committee may also act by resolution in writing signed by all the members of the Committee.
- E. The Committee shall keep or cause to be kept minutes or other records of its meetings and proceedings and provide such records to LAC as the Committee may so determine. The approved minutes of the Committee shall be circulated to the Board as soon as practicable.

- F. Any member of the Committee may participate in a meeting by conference telephone or other communications equipment by means of which all persons participating in the meeting can adequately communicate with each other, and a member participating in a meeting pursuant to this section shall be deemed for purposes of the *Business Corporations Act* (British Columbia) to be present in person at the meeting.
- G. The Committee may invite Management, directors, employees or other persons as it sees fit from time to time to attend its meetings and assist thereat provided, however, that only members of the Committee may participate in the deliberation, and vote on any matter to be decided by the Committee.
- H. All meetings shall include an in-camera session of independent directors without management present (unless the members of the Committee present determine that such a session is not required).

## **VI. RESPONSIBILITIES AND DUTIES OF THE CHAIR**

The Chair of the Committee shall have the following responsibilities and duties.

- (i) Chair meetings of the Committee.
- (ii) In consultation with the Board Chair and the Corporate Secretary, determine the frequency, dates, guests and locations of meetings of the Committee.
- (iii) In consultation with LAC's Chief Executive Officer, Chief Financial Officer, Corporate Secretary and others as required, review the annual work plan and the meeting agendas to ensure all required business is brought before the Committee.
- (iv) In consultation with the Board Chair, ensure that all items requiring the Committee's approval are appropriately tabled.
- (v) Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee.
- (vi) Carry out any other business or special assignments or any functions as may be requested by the Board.

## **VII. APPROVAL**

Approved by the Board on May 7, 2020.