

# COMPASS MINERALS BUSINESS OVERVIEW AND GOVERNANCE UPDATE

// Jan. 2022





*This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements about the company's strategic priorities, including its ability to build a sustainable culture, deliver on commitments, optimize and leverage assets and enhance balance sheet flexibility; lithium resource development and fire retardant business (Fortress North America) investment, including their growth potential, ability to leverage existing production and market entry; and the company's ability to sustain and improve operations, including efficiency and cost improvements at Goderich mine and Cote Blanche barge dock improvements, invest in growth, maintain financial flexibility, return capital to shareholders, balance operations with value-creating growth opportunities, and motivate employees to achieve exceptional performance and create value. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. We use words such as "may," "would," "could," "should," "will," "likely," "expect," "anticipate," "believe," "intend," "plan," "forecast," "outlook," "project," "estimate" and similar expressions suggesting future outcomes or events to identify forward-looking statements or forward-looking information. These statements are based on the company's current expectations and involve risks and uncertainties that could cause the company's actual results to differ materially. The differences could be caused by a number of factors, including without limitation (i) weather conditions, (ii) foreign exchange rates and the cost and availability of transportation for the distribution of the company's products, (iii) pressure on prices and impact from competitive products, (iv) any inability by the company to successfully implement its strategic priorities or its cost-saving or enterprise optimization initiatives, (v) the risk that the company may not realize the expected financial or other benefits from the proposed development of its lithium mineral resource or its investment in Fortress North America, (vi) the timing and the outcome of the sale process for the company's South America chemicals business, and (vii) impacts of the COVID-19 pandemic. For further information on these and other risks and uncertainties that may affect the company's business, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the company's Transition Report on Form 10-KT for the transition period ended Sept. 30, 2021 and the Quarterly Report on Form 10-Q for the quarter ended Dec. 31, 2021 filed or to be filed with the SEC, as well as the company's other SEC filings. The company undertakes no obligation to update any forward-looking statements made in this presentation to reflect future events or developments, except as required by law. Because it is not possible to predict or identify all such factors, this list cannot be considered a complete set of all potential risks or uncertainties.*

A grayscale background image showing a hand holding a surveying compass over a map. The compass is a circular device with a rotating bezel and a needle. The hand is positioned to use the compass on the map. The map shows various geographical features and lines.

# ABOUT US

## AN ESSENTIAL MINERALS COMPANY



## ADVANTAGED ASSETS

- Goderich mine: World's largest underground salt mine
- Winsford mine: U.K.'s largest dedicated rock salt mine
- Great Salt Lake sustainable solar evaporation facility: Western Hemisphere's largest production site of sulfate of potash (SOP), in operation for 50+ years near Ogden, Utah

## ATTRACTIVE MARKETS

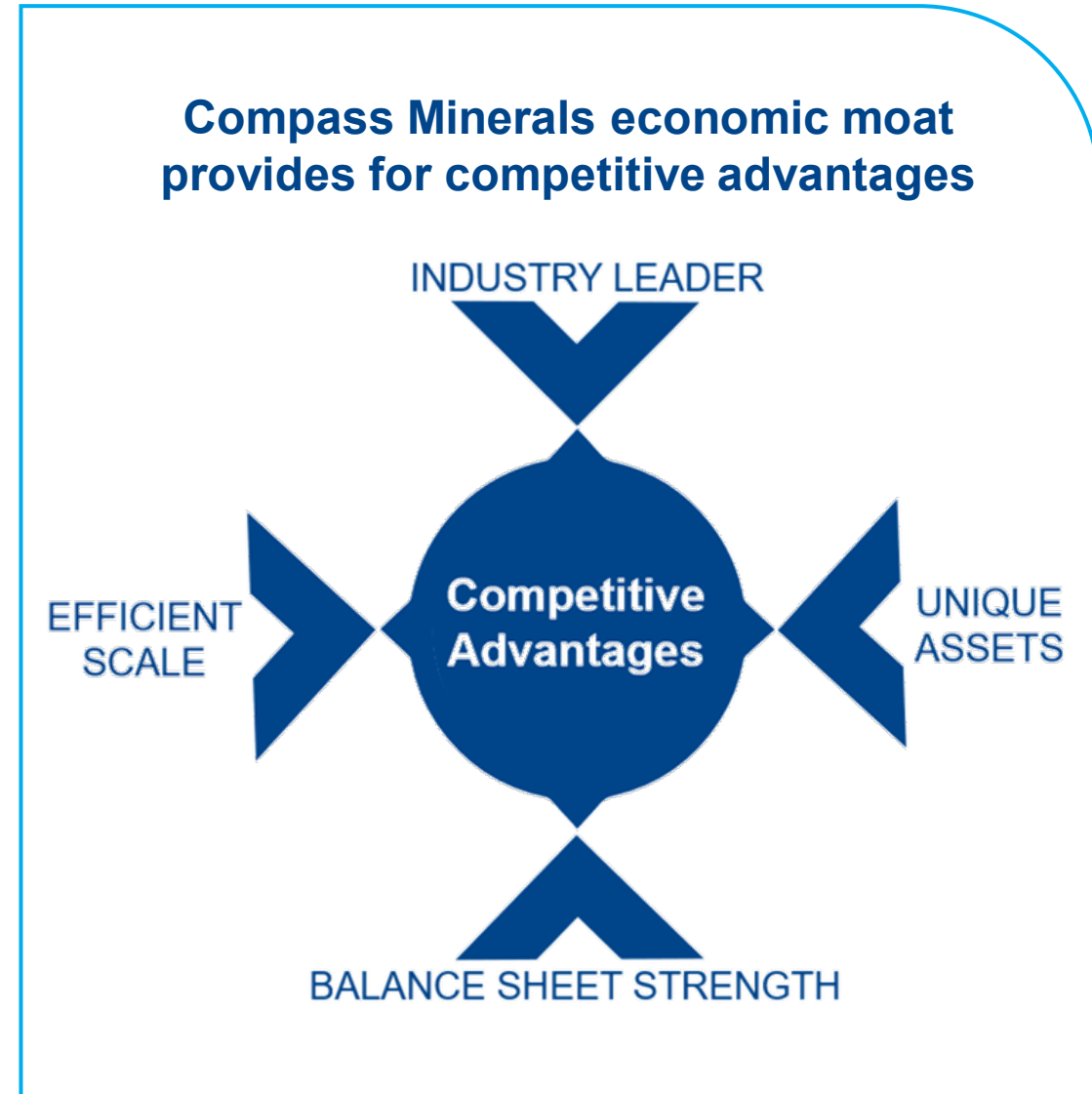
- Leading supplier of salt products in North America and the U.K.
- Protassium+® (SOP product) is market leader for high-value crops in North America

## OPERATIONAL STRENGTH

- Management team has decades of experience optimizing mining and manufacturing operations
- Logistics advantage and vast salt depot network
- Strong safety culture with a focus on operating responsibly and sustainably

## FINANCIAL STABILITY

- Strong cash flow from operations
- No near-term debt maturities



## BUILD SUSTAINABLE CULTURE

- > Drive Zero Harm imperative for our people and environment
  - > Increase employee engagement and build execution muscle
- 

## DELIVER ON COMMITMENTS

- > Meet then exceed customer and shareholder expectations
  - > Continue operational improvements at mines and facilities
  - > Enterprise-wide optimization commitment
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## STRATEGIC ASSESSMENT

- > Evaluation of core strengths and opportunities to leverage advantaged assets
  - > Completed North America micronutrient sale
  - > Completed sale of South America plant nutrition business; sale process for South America chemicals business ongoing
- > Enhance balance sheet flexibility
- > Lithium value proposition
- > Strategic investment in next-generation fire retardant company

*These priorities support Compass Minerals' Core Purpose to help keep people safe, feed the world and enrich lives, every day*



## SUSTAIN AND IMPROVE OPERATIONS

- New Goderich mine plan development expected to increase efficiency and lower long-term cost structure
- Cote Blanche barge dock upgrade anticipated to improve safety, logistics and efficiency

## INVEST IN ORGANIC GROWTH

- Expect to enter the commercial market with battery-grade lithium product by 2025
- Strategic investment in Fortress, a next-generation fire retardant company that leverages Compass Minerals' existing magnesium chloride production

## MAINTAIN FINANCIAL FLEXIBILITY

- Reduced debt outstanding by ~30% from Dec. 2020 level (as of Sept. 30, 2021)
- Liquidity of ~\$219 million at fiscal year-end 2021<sup>1</sup>

## RETURN CAPITAL TO SHAREHOLDERS

- Annualized dividend distribution of \$0.60 per share
- Dividend yield better aligned with peers and broader market

**Disciplined approach to capital allocation that balances long-term sustaining operations with investment in value-creating growth opportunities**

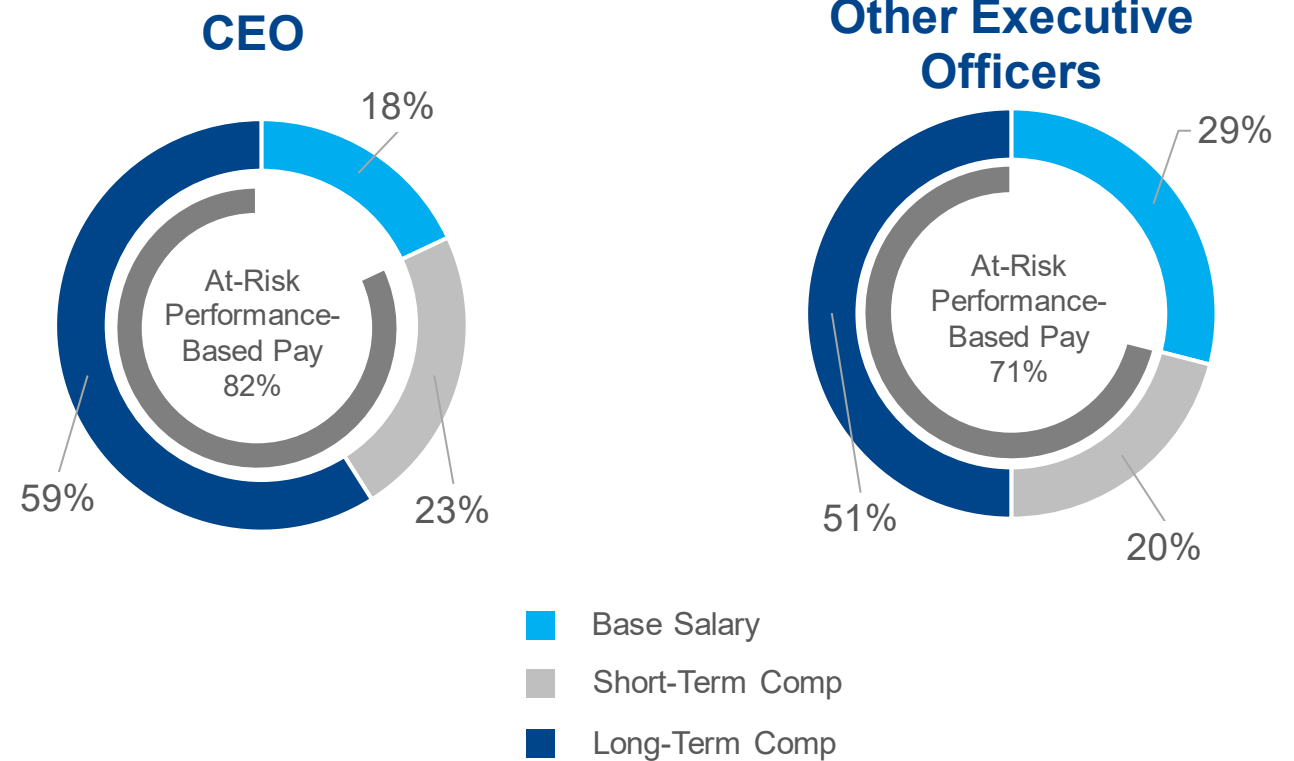
<sup>1</sup>Includes \$2.9 million of cash from discontinued operations.

# EXECUTIVE COMPENSATION PHILOSOPHY



- Seeks to align executive officer and shareholder interests by motivating employees to achieve exceptional performance, thereby creating long-term value for our shareholders
- Performance based with a significant variable component, consistent with our pay-for-performance philosophy
- Includes at-risk short-term and long-term components
- Provides total direct compensation that is tied to performance, competitive in comparison to our peers and is appropriately balanced
- Say-on-Pay results for 2021 were 95.31%

## FISCAL 2021 EXECUTIVE COMPENSATION PROGRAM



- No increases to executive officer base salaries with the exception of Ms. Frontczak whose base salary was increased to align with peers
- As a result of the change in fiscal year end, target bonuses were prorated by 75% and performance factors were adjusted to reflect the nine-month fiscal year
- Short-term bonus performance factors remained the same as previous fiscal year
  - *Recalibrated payout scales so that the maximum payout is 200% for each performance factor to align with competitive market practice*
  - *Performance metrics included a focus on ESG in both the Shared Performance Objectives as well as TCIR*

## FISCAL 2021 SHORT-TERM BONUS PERFORMANCE FACTORS AND PAYOUT

<i>Performance Factor</i>	<i>Weighting</i>	<i>Performance Factor Achievement</i>	<i>Percentage of Bonus Payout</i>
Adjusted EBITDA	45%	120.13%	54.06%
Adjusted Free Cash Flow	20%	200.00%	40.00%
Shared Performance Objectives	20%	154.00%	17.39%
TCIR*	15%	115.92%	30.80%

BASE SALARY (PRORATED)	X	TARGET PERCENTAGE	X	PERFORMANCE FACTOR	X	PERFORMANCE FACTOR ACHIEVEMENT	=	BONUS PAYOUT 142.25%
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# Fiscal 2021 Executive Officer Compensation Components (Cont.)

- RSUs (40% of equity mix)
  - 3-year *ratable vesting*
  - *Contingent on achieving company adjusted EBITDA financial performance hurdle for fiscal 2021*
- PSUs (60% of equity mix)
  - 3-year *cliff vesting*
  - *Number of shares earned based on achievement of rigorous adjusted EBITDA growth goals*
- Annual equity awards remain 100% tied to performance

Adjusted EBITDA Growth PSU Performance Scale		
<i>Performance Level</i>	<i>Adjusted EBITDA Growth*</i>	<i>Payout as a % of Target</i>
Threshold	8%	50%
Target	11.5%	100%
Stretch	13%	200%
Max	15%	300%

*\*Calculated on a cumulative compound annual growth rate basis. Full year 2020 adjusted EBITDA used as the base for the growth determination is a pre-determined “floor” of \$335 million, which may be adjusted by the Compensation Committee, including to reflect the effect of acquisitions and divestitures.*

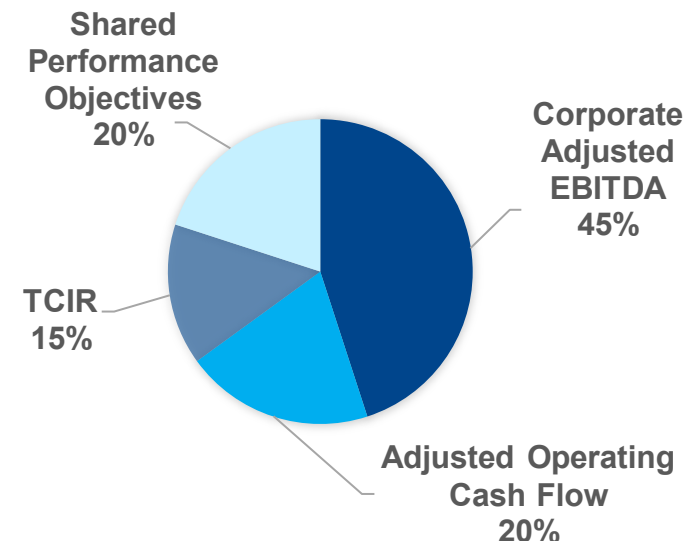
**0%** ROIC-based PSUs vested in 2020 and 2021

**82%** rTSR-based PSUs vested in 2020

**83%** rTSR-based PSUs vested in 2021

- Base salary increases for certain executive officers based on performance and market competitiveness
- No changes to short-term bonus incentive target percentages
  - *Replaced adjusted free cash flow performance factor with adjusted operating cash flow*
- No changes to target grant value percentages of annual equity awards
  - *Target grant values were prorated by 75% due to the fiscal year change*
- PSUs and RSUs remain at 60% and 40% of equity mix
  - *RSUs remain contingent on achieving company adjusted EBITDA financial performance hurdle for the initial grant fiscal year*
  - *PSU performance metric moved from 3-year adjusted EBITDA growth to 3-year rTSR*

## FISCAL 2022 SHORT-TERM BONUS PERFORMANCE FACTORS



### rTSR PSU Performance Scale

Benchmark Ranking	Payout as a % of Target
< 25 <sup>th</sup> Percentile	0%
25 <sup>th</sup> Percentile	50%
50 <sup>th</sup> Percentile (Target)	100%
75 <sup>th</sup> Percentile (Stretch)	200%
95 <sup>th</sup> Percentile or > (Maximum)	300%



## CORPORATE GOVERNANCE

## INDEPENDENT DIRECTORS

**7 of 8 (88%)**

*Except for our CEO, all directors are independent, including our Chairman*

## FREQUENCY OF BOARD ELECTIONS

**Annual**

## PROXY ACCESS

**Yes**

## FREQUENCY OF BOARD EVALUATIONS

**Annual**

## MANDATORY DIRECTOR TERM LIMITS<sup>1</sup>

**8-12 years**

## DIRECTOR EQUITY GRANTS

**Yes**

<sup>1</sup> With limited exceptions.



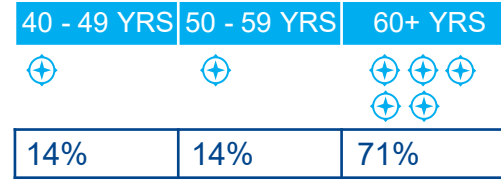
## TENURE



average tenure 6.6 years



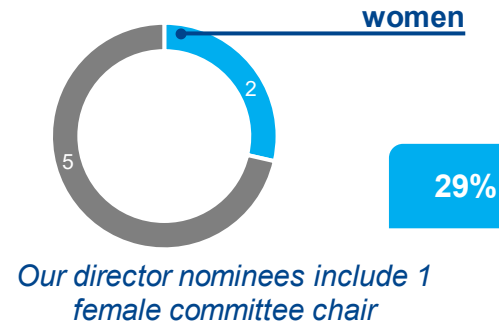
## AGE



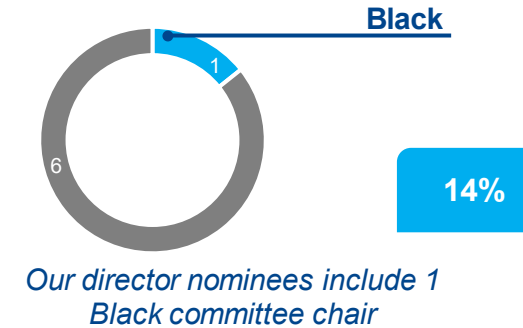
average age 59.29



## GENDER DIVERSITY













## ETHNIC DIVERSITY



## RECENT DEVELOPMENTS

- Board amended our Corporate Governance Guidelines in May 2021 to adopt term limits for directors; all non-employee directors have a term limit of 8 to 12 years, with limited exceptions
  - *Consistent with this term limit, Allan Rothwell was not re-nominated to the Board*
- Board increased its size in October 2021, adding Mr. Joyce who brings electric vehicle and sustainability experience

# Board Nominee Matrix

	Kevin S. Crutchfield	Eric Ford*	Gareth T. Joyce*	Joseph E. Reece*^	Allan R. Rothwell*	Lori A. Walker*	Paul S. Williams*	Amy J. Yoder*
 Business / Functional Leader	✓	✓	✓	✓	✓	✓	✓	✓
 Financial Expert				✓	✓	✓		
 Industry Knowledge	✓	✓	✓	✓	✓			✓
 International Business	✓	✓	✓	✓	✓	✓	✓	✓
 Operations / Environmental, Health & Safety (EH&S)	✓	✓	✓					
 Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
 Sales and Marketing	✓	✓	✓	✓	✓		✓	✓
 Strategy / M&A	✓	✓	✓	✓	✓	✓	✓	✓
 Sustainability / Human Capital Management			✓				✓	✓
 Diversity								
Black							✓	
White	✓	✓	✓	✓	✓	✓		✓
Male	✓	✓	✓	✓	✓		✓	
Female						✓		✓

\*Independent

^Non-Executive Chairman of the Board

Management of environmental, sustainability and governance (ESG) impacts and improvements occur through multiple, integrated approaches. Our Core Values, Corporate Sustainability Principles and Code of Ethics and Business Conduct provide a foundation that emphasizes shared responsibility for sustainability and our commitments to **safety, growth, transparency and stewardship**.



Our determination of material ESG topics is influenced by ongoing engagement with our stakeholders. We have recently conducted a **materiality assessment** to inform prioritization of refreshed ESG targets in 2021.



Issued 6th comprehensive [ESG Report](#)  
in August 2021

*Our ESG report structure and disclosure align with leading sustainability reporting frameworks, including the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB).*

*We have additionally looked to the Task Force on Climate-related Financial Disclosures (TCFD) and U.N. Sustainable Development Goals (SDGs) to help inform our reporting.*

## ESSENTIAL SUSTAINABLE RESILIENT



### HIGHLIGHTS FROM OUR 2020 ESG REPORT<sup>1</sup>



**FRESHWATER  
INTENSITY**

↓ 13%



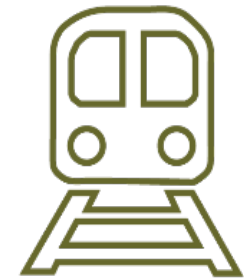
**TOTAL CASE  
INCIDENT RATE**

↓ 16%



**EMPLOYEE TRAINING  
AND DEVELOPMENT**

↑ 13%



**SCOPE 3  
EMISSIONS**

↓ 6%

<sup>1</sup> Metrics represent year-over-year improvement from 2019 to 2020.