

## **CORPORATE GOVERNANCE & NOMINATING COMMITTEE**

### **Terms of Reference**

#### **PURPOSE**

The Corporate Governance & Nominating Committee (the “**CG & Nominating Committee**”) has been established by the Board and under powers delegated to it by the Board is mandated to ensure that the Company develops and implements an effective approach to corporate governance which enables the business and affairs of the Company to be carried out, directed and managed in accordance with the Board Objective.

#### **COMPOSITION AND TERM OF OFFICE**

1. The CG & Nominating Committee shall consist of four or more Directors. All members of the CG & Nominating Committee shall be independent within the meaning of NI 52-110.
2. The Chair of the CG & Nominating Committee, along with the other members of the CG & Nominating Committee, will be appointed annually by the Board following the AGM to hold office until the next AGM, unless the member becomes unable to serve or is removed by the Board. A casual vacancy may be filled and additional members of the CG & Nominating Committee may be appointed at any time by the Board, to hold office until the next AGM.

#### **DUTIES AND RESPONSIBILITIES**

The CG & Nominating Committee shall perform the following functions, as well as any other functions specifically authorized by the Board:

##### **Corporate Governance**

1. Develop and at least annually review and make recommendations to the Board regarding the Company’s corporate governance policies, practices and guidelines, taking into account the requirements under applicable laws, rules regulations and listing standards applicable to the Company from time to time and such other standards, principles and practices or guidelines as the CG & Nominating Committee considers appropriate.
2. Monitor compliance with and the effectiveness of the corporate governance policies, practices and guidelines adopted by the Company.
3. Annually review these Terms of Reference, the Terms of Reference of all other Committees of the Board and the Board Terms of Reference to ensure the adequacy and effectiveness of the Company’s policies, practices and guidelines adopted by the Company.

4. Ensure any corporate governance issues identified by the Board are raised with Management.
5. Review any statements of corporate governance policies, practices and guidelines disclosed by the Company in its annual report or management information circular.

### **Board Composition**

6. In conjunction with the Chair of the Board, assess, propose and recommend appropriately qualified and skilled new Director candidates:
  - a. for nomination to stand for election by the shareholders; and
  - b. for appointments to the Board.

In making its recommendation to the Board, the CG & Nominating Committee should consider: (i) the competencies and skills that the Board considers necessary for the Board as a whole to possess; (ii) the competencies and skills that the Board considers each existing Director to possess; (iii) the competencies and skills each new potential nominee will bring to the Board; and (iv) whether or not each potential nominee can devote sufficient time and resources to his or her duties as a Board member.

7. Ensure that the Board has and retains a majority of independent Directors and that a majority of Committee members are independent Directors, except the Audit Committee and the CG & Nominating Committee, where all members are required to be independent Directors.
8. Review annually the size and composition of the Board and the composition of the Committees, in conjunction with the Chair of the Board, to ensure the continual effectiveness of the Board and Committees, as the case may be.
9. Develop and at least annually review the position descriptions for each of the Board Chair, Vice Chair, Lead Director, Committee Chair, and in conjunction with the MRCC the President and Chief Executive Officer.
10. Develop and recommend procedures for selection of the Chair or Lead Independent Director, if applicable, and, if considered necessary or appropriate, an alternate thereto.
11. Periodically review the appropriateness of any qualification, policies or requirements on Board service, including term limits, majority voting policies, shareholder ownership requirements.

### **Director's Education**

12. Ensure orientation and continuing education programs are available for Directors.

### **Director Compensation**

13. Review compensation levels and trends for the Directors and the Chair of the Board and recommend changes to the Board.

## **Board Effectiveness and Succession**

14. Establish and implement a procedure for the annual assessment of the effectiveness of the Board, the Committees of the Board, and the Chair of the Board.
15. Ensure that there is an appropriate procedure in place to evaluate all Directors and annually assess the contribution and skills of existing Directors, and report such assessments to the Board, if deemed necessary.
16. Ensure that there are appropriate structures and procedures to allow the Board to function independently of Management.
17. Develop and periodically review guidelines, lists of potential candidates, expectations and plans, as appropriate, for Board member succession.
18. Establish a process to determine when a conflict of interest is considered to exist between a Director and the Company, the procedures to report or disclose such conflict and for the review by the CG & Nominating Committee of any conflict of interest issues so identified or reported. Following such review, the Committee shall make such recommendation to the Board for review and a decision on any action to be taken.

## **Risk Management**

19. Ensure that the Board or a Committee of the Board reviews the major risks that have been identified by the Company.

## **Company Policies**

20. Ensure that the Company has an adequate and effective Code of Conduct, Disclosure Policy, and Whistle Blower Policy and that such policies are being complied with.
21. Ensure that the Company's Corporate Policy Manual has been adequately communicated to Management and employees.
22. Review and investigate, if applicable, all reported or suspected violations of the Code of Conduct, other Company Policies and applicable law reported to the CG & Nominating Committee in accordance with the Company's Whistleblower Policy, except those relating to accounting and auditing complaints/concerns, and determine an appropriate response, including corrective action and/or preventative measures when required. All reports are to be treated confidential to every extent possible.

## **Other Responsibilities**

23. Review and approve for payment by the Company, where appropriate, requests from any Director for the engagement of an outside expert or advisor to assist that Director in fulfilling their responsibilities.
24. Perform such other duties and responsibilities as may be assigned to the CG & Nominating Committee by the Chair of the Board from time to time or as may be required under applicable law or by any applicable regulatory authority.

## **MEETINGS AND PROCEDURES**

1. The CG & Nominating Committee shall schedule regular meetings and, subject to these Terms of Reference and applicable law, otherwise establish its procedures and govern itself as the members of the CG & Nominating Committee may see fit in order to carry out and fulfill its duties and responsibilities hereunder. Extraordinary meetings of the CG & Nominating Committee may be called at the request of a member on the CG & Nominating Committee or the Chair of the Board to be held at such times and places as the person calling such meeting may determine.
2. A majority of members on the CG & Nominating Committee will constitute a quorum (provided that a quorum shall not be less than two (2) members). Decisions of the CG & Nominating Committee will be by an affirmative vote of the majority of those members of the CG & Nominating Committee voting at a meeting. In the event of an equality of votes, the Chair will not have a casting or deciding vote. The CG & Nominating Committee may also act by resolution in writing signed by all the members of the CG & Nominating Committee.
3. The Chair of the CG & Nominating Committee shall appoint a Secretary who shall keep minutes or other records of its meetings.
4. The Chair of the CG & Nominating Committee shall report to the Board at its next regular meeting the deliberations and recommendations, if any, requiring the Board's approval.

## **OTHER MATTERS**

1. The CG & Nominating Committee is authorized to engage any outside advisor it deems necessary to carry out its duties and responsibilities and to arrange payment of the advisor's compensation by the Company.
2. The CG & Nominating Committee may, at the request of the Board or at its own initiative, investigate such other matters as it considers appropriate in furtherance of the CG & Nominating Committee's purpose.

# **CORPORATE GOVERNANCE & NOMINATING COMMITTEE**

## **Annual Agenda Items**

### **First Meeting of the Year**

- Review Annual Agenda
- Review Terms of Reference for CG Committee
- Review Information Circular Disclosure on Corporate Governance
- Consider any proposed changes to the Board Composition
- Review Ongoing Items
  - Changes in Governance Guidelines and Disclosure
  - Code of Conduct Report

### **Second Meeting of the Year**

- Review Terms of Reference and Policies for Directors and Officers including:
  - Chair of the Board
  - Directors' Compensation
- Review evaluation procedures:
  - Board
  - Committees
  - Individual Directors
- Review list of items for improvement from the previous evaluation
- Review proposed Committee roster
- Review Ongoing Items
  - Changes in Governance Guidelines and Disclosure
  - Code of Conduct Report

### **Third Meeting of the Year**

- Review the way the Board fulfills its stewardship responsibilities as set out in the Mandate of the Board
- Review director orientation process and continuing education program (management to provide report)
- Review compliance with and the effectiveness of the corporate governance policies practices and guidelines adopted by the Company (management to provide a report)
- Review results of Board Evaluation
- Review Ongoing Items
  - Changes in Governance Guidelines and Disclosure
  - Code of Conduct Report