

## GOVERNANCE & NOMINATING COMMITTEE

### Terms of Reference

Last Reviewed: December 2017

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#### PURPOSE

The Governance and Nominating Committee (the "**Committee**") shall have a broad responsibility for examining corporate governance practices, including Board practices and performance, and for making recommendations with respect to such matters to the Board. These responsibilities include:

1. Nominating - Assessing the requirements for membership on the Board and managing the process for nominating candidates for Board and committee membership.
2. Effectiveness - Assessing and making recommendations regarding Board effectiveness and leading the processes for orientation, evaluation and continuing education of Directors, committee Chairpersons and the Chair of the Board.
3. Regulatory - Ensuring processes and procedures are in place to achieve timely and appropriate compliance with all public company regulatory requirements; and assessing the recommendations of The Toronto Stock Exchange and other regulatory bodies with a view to adopting those recommendations which are appropriate for, and will be of benefit to, the stakeholders of the Corporation.
4. Governance - Reviewing and monitoring governance practices of the Board and Management with a view to enhancing the Corporation's performance.

#### COMPOSITION AND OPERATIONS

1. The Committee shall be composed entirely of independent Directors within the meaning of National Policy 58-201 - Corporate Governance Guidelines.
2. The Committee shall be composed and operate in accordance with the Standing Committees of the Board General Terms of Reference.
3. The Committee shall meet at least twice each year.

#### DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee has the responsibility:

**1. With respect to Board and Committee Nomination, to:**

- a) Assess the requirements for membership on the Board and committees of the Board;
- b) Create a formal and transparent procedure for the appointment of new Directors to the Board;
- c) Manage the processes involved in assessing the capabilities that will be required by the Board, by maintaining a skill "matrix" of the capabilities of the existing Directors and identifying the gaps to be filled and plan for the orderly succession of the Chair and other Directors to maintain such capabilities;
- d) Develop recommendations regarding the essential and desired experience and skills for potential Directors, taking into consideration the Board's short-term needs and long-term succession plans;
- e) In consultation with the Chair of the Board, recommend nominees to the Board for election as Directors of the Corporation; and

- f) In consultation with the Chair of the Board, recommend committee members and committee chair appointments to the Board for approval.

**2. With respect to Board Effectiveness, to:**

- a) Develop and periodically update a long-term plan for Board composition and size that takes into consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of the Corporation;
- b) Monitor the Board orientation and continuing education programs in effect from time to time, and, where appropriate, recommend changes to the Board;
- c) Encourage all Directors to continuously update their skills as well as their knowledge of the Corporation and its businesses;
- d) Assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings;
- e) Review and evaluate on an annual basis the performance of the Board as a whole and individual Directors in accordance with the procedures established by the Board from time to time; and
- f) Review and evaluate on an annual basis the performance of each committee of the Board and its Chair against the terms of reference and the standards established for the role of the chair, respectively.

**3. With respect to Board Governance, to:**

- a) Provide a forum for all Directors to express their views and concerns regarding the operation of the Corporation, independent of Management and the full Board;
- b) Review the Corporation's structures and procedures to ensure the Board is able to, and in fact does, function independently of Management;
- c) Ensure there is a system that enables a committee or Director to engage separate independent counsel in appropriate circumstances, at the Corporation's expense;
- d) Review on an annual basis the Director Code of Ethics (the "**Code**") and, where appropriate, recommend revisions to the Board;
- e) Review on an annual basis and, where appropriate, recommend any changes to, the Whistleblower Policy, the Code of Conduct and Ethics Policy, the Disclosure Policy and the Insider Trading Policy, to the Board;
- f) Monitor compliance with the Code and regularly report to the Board on the status of complaints received and investigations launched;
- g) Review on an annual basis the table of contents of a Directors' Manual;
- h) Provide guidance to Management in its review of strategic alternatives;
- i) Review and consider any published reports on corporate governance best practices by recognized Canadian coalitions and groups and make recommendations to the Board regarding their consideration or adoption as appropriate; and
- j) At the request of the Chair of the Board or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation.

**4. With respect to Regulatory Requirements, to:**

- a) Consider developments in the area of corporate governance and any other matters which would assist the Board in meeting its corporate governance responsibilities and adherence to any corporate governance requirements established by relevant regulatory bodies;
- b) Review the disclosure and confidentiality policies of the Corporation in effect from time to time and make recommendations to the Board with respect thereto; and
- c) Review and recommend for the Board's approval the annual corporate governance disclosure of the Corporation in the Corporation's public disclosure documents prior to their publication.

**AUTHORITY**

The Committee may engage and compensate any outside advisor, at the Corporation's expense that it determines necessary to permit it to carry out its duties.