



POLICY ON DIRECTORS' SELECTION PROCESS FOR NEW MEMBERS

Policy on Directors' Selection Process for New Members

Search Process

The Nominating and Governance Committee of the Board is responsible for selecting new members to the Board of Directors.

1. The selection processes consists of several steps:

- the Committee completes an annual assessment of the competencies and skills the Board as a whole should possess;
- the Committee completes an inventory of the current Board's competencies in the areas of: CEO experience, financial expertise and literacy, industry knowledge, knowledge of technology, diversity, professional designations and industry representation, as well as, personal qualities that contribute to the Board dynamics;
- as necessary, the Committee reviews potential executive search consulting companies and selects a firm or firms qualified to conduct Director's searches;
- the Committee develops the recruiting criteria based on the requisite skill requirements and the overall needs of the Board with the support of the search firm;
- The Committee develops a list of potential candidates with the support of the search firm;
- The Committee or a subcommittee reviews the complete list of potential candidates and identifies a short list of potential candidates for in-depth interviews. Both reference checks and the candidate's ability to devote sufficient time to his or her duties are considered in identifying the candidates. The full Board is then engaged in a discussion of candidates;
- The Chairman of the Committee and selected committee members interview the final shortlist of candidates;
- The Committee recommends final potential candidates to the full Board; and
- Potential new board members will be approached and invited to join Cervus' Board.

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