



**Composition of Committees of the Board, Committees' Procedures and Committee Members' Qualifications**

The Terms of Reference of the Board sets out a number of requirements for the composition of Committees, the Committee procedures and the qualifications of Committee members. One of those requirements states that a majority of the members of a Committee constitute a quorum for meetings of the Committee. Each Committee has the latitude to develop other rules of procedure.

**Nominating and Governance Committee Mandate**

**Objectives and Authority:**

The Nominating and Governance Committee assists the Board in fulfilling its oversight responsibilities related to governance and the continuity of Board membership.

The Nominating and Governance Committee exercises oversight with respect to:

- the integrity of Board and corporate governance;
- the responsibilities, composition and effectiveness of the Board and the Committees of the Board; and
- the succession planning, recruitment and nominating process of Board members.

**Limitations Related to Oversight:**

The Nominating and Governance Committee's responsibility is to convey its findings and make recommendations to the Board. The Committee has no decision-making authority other than that which may be delegated to the Committee by the Board.

**Functions and Responsibilities:**

The Nominating and Governance Committee has the following functions and responsibilities:

*Board Structure and Composition*

1. Review the Board of Directors Terms of Reference and as required recommend changes to Board guidelines, Committee guidelines and the mandate of the Board; including:
  - the role, composition, structure, and size of the Board; and
  - the role of the chair of the Board.
2. With input from the chair of the Board, annually recommend the composition and the chair of the Committees.
3. Assess the needs of the Board in terms of frequency and location of Board meetings, meeting agenda and conduct of meetings.
4. Consider the appropriate size of the Board to balance the demands on Board members and effective decision-making.
5. Formulate recommendations for policies and guidelines relating to the affairs of the Board, such as tenure and retirement of directors.



*Nomination of Directors*

6. Establish a process to:
  - determine the Board competencies required to ensure appropriate Board and corporate governance specific to Cervus' business needs and strategies;
  - periodically evaluate the composition of the Board taking into consideration independence, age, skills, experience and diversity in relation to Cervus' needs and strategies; and
  - identify skill gaps.
7. Recommend to the Board on an annual basis, Board nominees for election or re-election.
8. As required, identify prospective director candidates; and when appropriate, retain and oversee the services of a consulting firm engaged to assist in recruiting director candidates.
9. Consider prospective director candidates and recommend new director nominees to the Board.

*Succession Planning*

10. In conjunction with the Human Resources & Compensation Committee, ensure Cervus has a process to appoint a new Chief Executive Officer, both in the case of an emergency and in the normal course of business.

*Board Effectiveness*

11. Ensure Board members receive the information they need on a timely basis.
12. Establish procedures to evaluate the performance of:
  - individual Board members as it pertains to his/her Board and Committee responsibilities;
  - the effectiveness of Committees, and
  - the effectiveness of the Board as a whole.
13. Report to the Board on whether roles and responsibilities of the Board, Committee and individuals are being discharged adequately.

*Independence, Conflict of Interest and Capacity to Serve*

14. In conjunction with the chair of the Board, consider requests of the Chief Executive Officer, and all direct reports to the Chief Executive Officer, to serve on outside boards of directors (public and private corporations and industry associations) with respect to a conflict of interest. Also consider Cervus' interests in relation to the increased demands on the Chief Executive Officer of an outside Board appointment. Report recommendations to the Board.
15. Assess the independence of individual Directors, any actual or perceived conflicts of interest, and any changes to a Director's circumstance that may lead to a conflict. Report recommendations to the Board.

*Corporate Governance*

16. Monitor developments, trends and evolving practices related to corporate governance.



## NOMINATING AND GOVERNANCE COMMITTEE MANDATE

17. Annually review Cervus' Code of Conduct and review the monitoring of compliance by Management.
18. Annually, make recommendations to the Board regarding Cervus' approach to governance issues including:
  - the corporate governance principles, and
  - oversight of corporate governance practices and procedures.

### *Orientation and Education*

19. Ensure materials are prepared and a process is implemented to orientate and educate Directors on:
  - Cervus' business; and
  - Cervus' principles, policies and practices to exercise corporate governance.

### *Corporate Environmental, Social and Governance Responsibility*

20. Periodically assess Management's framework to guide values, beliefs and standards of ethical conduct and the policies and procedures (the "**Core Framework**") that are implemented to ensure fulfillment.
21. *Periodically assess the effectiveness of the Core Framework in relation to Cervus':*
  - (a) *place in the natural and local environment and opportunities for environmental stewardship;*
  - (b) *relationships with its employees, future workforce development, suppliers, customers, the communities where it operates, and other important stakeholders; and*
  - (c) *reflection of societal diversity, demonstration of good governance, and fulfillment of core values and beliefs.*

### *Other Functions*

22. The Committee will discharge other governance and nominating responsibilities as delegated to it by the Board.
23. Annually, review this mandate and recommend changes to the Board when necessary.
24. Annually, develop and approve a work plan for the Committee.

### *Reporting to the Board*

25. The Nominating and Governance Committee will report to the Board on its activities at each Board meeting and at any other time the Committee deems appropriate or upon request of the Board.

### *Engagement of Consultants and Payment of Expenses*

26. The Nominating and Governance Committee has the authority to:



## NOMINATING AND GOVERNANCE COMMITTEE MANDATE

- retain and pay independent external advisors as necessary to carry out its duties which will be funded by Cervus; and
- communicate directly with Management.

### **Standards of Liability:**

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of the Nominating and Governance Committee. The purposes and responsibilities outlined in this mandate are meant to serve as guidelines rather than inflexible rules and the Nominating and Governance Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

### **Document Control Information:**

Approved by Board of Directors: Yes

Originally dated: October 22, 2009

Last amended: March 11, 2020

Last reviewed: March 09, 2021