

# NOMINATING COMMITTEE CHARTER

May 2018

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## 1. INTRODUCTION

The Board has not established an Nominating Committee at this time. Until such time as the Board determines that it is appropriate to establish a Nominating Committee, the function of the Nominating Committee as set out in this Charter will be performed by the Board.

## 2. SCOPE

The Nominating Committee is a committee of the Board of the Company with the specific powers delegated under this charter. The charter sets out the Nominating Committee's function, composition, mode of operation, authority and responsibilities.

## 3. FUNCTION

3.1 The primary function of the Committee is to identify individuals qualified to become Board members (consistent with criteria approved by the Board); recommend to the Board the Company's director candidates for election at the annual meeting of shareholders; develop and recommend to the Board a set of corporate governance principles; and perform a leadership role in shaping the Company's corporate governance. Among its specific duties and responsibilities, the Nominating Committee will

- (a) develop and recommend to the Board criteria for identifying and evaluating director candidates and periodically review these criteria;
- (b) identify, review the qualifications of, and recruit candidates for election to the Board;
- (c) assess the contributions and independence of incumbent directors in determining whether to recommend them for re-election to the Board;
- (d) establish procedures for the consideration of Board candidates recommended for the Committee's consideration by the Company's shareholders;
- (e) recommend to the Board the Company's candidates for election or re-election to the Board at each annual shareholders' meeting;
- (f) recommend to the Board candidates to be elected by the Board as necessary to fill vacancies and newly created directorships;

- (g) develop and recommend to the Board a set of corporate governance principles, and annually review these principles and recommend changes to the Board as appropriate;
- (h) periodically review the Board's leadership structure and recommend changes to the Board as appropriate;
- (i) make recommendations to the Board concerning the size, structure, composition and functioning of the Board and its committees;
- (j) recommend committee members and chairpersons to the Board for appointment and consider periodically rotating directors among the committees;
- (k) review directorships at other for-profit organizations offered to directors and senior officers of the Company;
- (l) review and assess the channels through which the Board receives information, and the quality and timeliness of information received;
- (m) establish and periodically review policies and procedures for the review, approval and ratification of related person transactions and review related person transactions;
- (n) annually review the form and amount of compensation of directors for service on the Board and its committees and recommend changes in compensation to the Board as appropriate;
- (o) oversee succession planning for positions held by senior executive officers, and review succession planning and management development at least annually with the Board, including recommendations and evaluations of potential successors to fill these positions;
- (p) oversee the orientation process for new directors and ongoing education for directors;
- (q) oversee the evaluation of the Board and its committees as well as executive officers; and
- (r) annually evaluate the performance of the Committee and the adequacy of the Committee's charter and recommend changes to the Board as appropriate.

3.2 If at any time the Company elects to comply with Nasdaq rules regarding nominating committees, the director candidates will be selected, or recommended for the Board's selection, either by:

- (a) the Committee, or

- (b) a majority of the independent directors of the entire Board, in a vote in which only the independent directors of the entire Board participate.

#### **4. Membership and composition**

4.1 The Board shall appoint the members of the Committee and review the composition of the Committee at least annually.

4.2 The number of members of the Committee shall be a minimum of three directors. The Board will nominate the Chair of the Committee from time to time. If the Company elects to be exempt from Nasdaq rules regarding nominating committees, then a majority of the Committee whom should, where practicable, be independent directors and the Committee Chair will be, where practicable, an independent director who is not Chair of the Board. If the Company elects to comply with Nasdaq rules regarding nominating committees, then subject to any transitional rules, all members of the Committee will be independent directors.

#### **5. MEETINGS**

5.1 The Committee shall

- (a) meet as frequently as required but at least two times per year, and
- (b) the minimum quorum for a committee meeting is two members.

5.2 The secretary of the Committee is the Company Secretary.

#### **6. AUTHORITY**

6.1 In performing its functions in accordance with any applicable law, the Committee will have the authority to retain such outside counsel, experts, and other advisers as it determines appropriate to assist it in the full performance of its functions, including any search firm used to identify director candidates, and to approve the fees and other retention terms of any advisers retained by the Committee