

BOARD OF DIRECTORS POLICIES & PROCEDURES		Policy No.	0.BD2.1
Policy	Election of the Board	Issue Date	December, 2009
Procedure	Nominating, Election and Installation	Revision No.	8
Accountability	Nominating and Governance Committee	Revision Date	October, 2018

2. PURPOSE

The purpose of this procedure is to set out guidelines governing the annual nomination and election of directors to the Board.

3. SCOPE

Directors are elected to the Board at the Annual Meeting of the Shareholders in order for the Shareholders to have proper representation in accordance with the Act, Shareholder's Agreement, and By-Laws.

4. RESPONSIBILITY

Board of Directors shall be responsible for:

- Establishing the Nominating and Governance Committee annually;
- Approving the nomination and election procedure set forth by the Nominating and Governance Committee

Nominating and Governance Committee shall be responsible for:

- Review current composition of the Board as needed;
- Facilitating Nomination process in accordance with Policy and Procedures;
- Recruiting suitable candidates for nomination;
- Prepare a list of qualifications on each candidate for shareholder/Board information;
- Receiving ballots and having the ballot count scrutinized;
- Presenting a motion to the shareholders for the election of directors.

5. DEFINITIONS

Internal Director: Internal directors shall be employees of the firm and are elected by the Shareholders based on the attributes listed in Section 7.08.

External Director: External directors shall not be employees of the firm, employed by the firm in the last four years, or directly involved in the operation of the firm. In addition, the external director and their employer (if applicable) shall not have any direct or perceived conflict of interest with the firm as determined by the Board. External Directors are elected by the Shareholders based on the attributes listed in Section 7.08.

6. REFERENCE and RELATED STATEMENTS of POLICY

Shareholder's Agreement, By-Laws, and Policy for Election of Directors #0.BD2 and Consent/Resignation of a Director, Procedure # 0.BD2.2, Composition of the Board, 0.BD3.

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7. PROCEDURE

7.01 Appointment of Nominating and Governance Committee:

The Board shall appoint a Nominating and Governance Committee comprised of a Chair from the current Board, one additional Board Member, as a minimum, along with the Secretary, to oversee all notification, balloting, and recording requirements. The Chair shall also appoint a shareholder to be on the Nominating and Governance Committee, who has not been a Director and does not intend to run in the next election.

7.02 Schedule of Events:

The Nominating and Governance Committee shall carry out the following tasks in the order noted:

- Review Composition of the Board
- Define Director Attributes – Solicit input from shareholders, directors, and management staff as required to ascertain the attributes desired for a director of the Board. Submit the list of director attributes to the Board for review and approval.
- Recruit Candidates – Based on the director attributes approved by the Board, recruit eligible shareholders and external candidates to stand for election to the Board.
- Shareholder Nominations – Notify all shareholders of the approved director attributes and put forward a call for nominations.
- Close of Nominations – Close nominations 2 weeks after shareholders have been notified of the call. No additional nominations will be accepted after the closing.
- Verification of Nominations – Verify the nominations conform to the Policies and By-laws of the Corporation and that all candidates are eligible for election. Evaluate each nominee in comparison to the Board attributes and ensure that nominee's conform to the attributes.
- Review – Present to the Board for review.
- Voting Process - Prepare ballots listing all eligible candidates and compile a brief narrative for each candidate including their conformance to the Board approved attributes. The ballots and the narrative will be distributed to the shareholders in accordance with the voting process defined below.
- Shareholder Election – The election of directors will be formally adopted by the shareholders at the AGM based on the results of a voting process as defined below prior to the AGM.

7.03 Nomination Process

On behalf of the Board, a call for nominations will be carried out by the committee. At the call for nominations, all shareholders will be informed of the desired director attributes approved by the Board. Shareholders will be given at least two (2) weeks before nominations close. Nomination forms will be available upon request (see sample attached).

For the nomination forms to be valid the following criteria must be satisfied:

- The nomination form shall be signed and dated by the nominated candidate indicating his/her acceptance of the position should they be elected;
- The nomination form shall be signed and dated by two (2) shareholders who intend to nominate the candidate (a candidate cannot nominate him or herself); and
- The nomination must be received by the Board Secretary on or before the closing date noted on the nominating form.

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7.04 Acclamation:

If the Nominating and Governance Committee does not receive any additional nominations and the number of candidates is equal to the number of vacancies on the Board, the slate of candidates is acclaimed at the AGM.

7.05 Ballots:

Individual ballots will be prepared for each shareholder (see sample) noting the number of shares held. Listed on the ballot will be the slate of candidates and the number of board positions to be filled. Each shareholder can select as many candidates as they choose up to the number of board positions to be filled. The number of shares held will equal the number of votes to be applied. All votes will be applied equally and fully to each of the candidates selected on the ballot. Ballots with more candidates selected than board positions to be filled will be spoiled.

7.06 Voting Process:

Voting (by use of the ballots) will be carried out prior to the AGM. The ballots will be distributed to shareholders at least three (3) weeks prior to the AGM. Ballots shall be returned at least one (1) week prior to the AGM for counting by an external, impartial party. The external party shall be instructed to forward the results to the Corporate Secretary and the Chair of the Nominating and Governance Committee. The Corporate Secretary will then copy same to the remainder of the Nominating and Governance Committee, and the Chairman of the Board. The Chair of the Nominating and Governance Committee will inform the nominees of the results. Once communication has been completed, the Corporate Secretary will forward formal letters to same.

7.07 Installation of the Board:

The Chair of the Nominating and Governance Committee shall report to the shareholders at the AGM and present a Motion to accept the candidates, as acclaimed or with the highest number of votes, as directors to join the Board. The ballots shall be destroyed after the AGM.

7.08 Attributes for Directors:

Internal Director:

- Must be a Shareholder of the Firm
- Able to provide insight on management activities
- Brings innovation, new ideas, and an entrepreneurial spirit to the Board
- Experience regarding the Shareholder Agreement and Shareholder rights
- Experience in the operation of the Corporation and the business performed
- Experience in basic financial areas of budgeting, balance sheet, P&L
- Aware of the strategic planning process and corporate vision
- Experience in matters for corporate growth and strategy
- Communicates well with and represents the interests of the Shareholders
- Understands roles and responsibilities of the Board and corporate governance
- Objectively assesses and understands the business risks facing the company
- Experience on a Board
- Familiar with current issues and strategic objectives facing the company
- Understands and respects the confidential nature of all discussions

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External Director:

- A public image and reputation that is beyond reproach
- Proven track record for success in business
- Viewed by his/her peers as a business leader
- Experience working in a senior position
- Board experience (preferably for-profit)
- Publicly held and/or private corporation experience
- Experience and/or skill set complementing the current Board and future needs
- Understands and respects the confidential nature of all discussions

8. Attachments

- Sample Ballot
- Sample Nominating Form