



MANDATE OF THE GOVERNANCE COMMITTEE OF TERVITA CORPORATION





MANDATE OF THE GOVERNANCE COMMITTEE

1. PURPOSE

The governance committee (the "**Committee**") of Tervita Corporation (the "**Corporation**") is appointed by the board of directors of the Corporation (the "**Board**") to assist the Board in fulfilling its oversight responsibilities with respect to nomination and governance matters.

In accordance with National Policy 58-201 *Corporate Governance Guidelines*, the purpose of the Committee is to:

- (a) act in an advisory capacity to the Board;
- (b) together with the Board and the human resources and compensation committee (the "**Human Resources and Compensation Committee**") of the Board, establish assessment criteria to ensure the Board, its committees, the individual directors, the chair of the Board (the "**Chairman of the Board**"), each committee chair and the chief executive officer (the "**CEO**") are effectively performing the duties, competencies and skills expected of them and as set out under their mandates or terms of reference, as applicable, and to encourage continuous improvement;
- (c) assist the Board in assessing the composition of the Board and its committees, and identify individuals qualified to become members of the Board with the objective of attaining a proper balance of experiences, competencies and attributes;
- (d) establish corporate governance policies and practices generally; and
- (e) conduct an annual performance evaluation of the Committee.

The Committee will also review and/or approve any other matters specifically delegated to the Committee by the Board.

2. COMPOSITION AND MEMBERSHIP

2.1 Number, Appointment and Removal of Members

The Committee shall consist of at least three (3) directors or such greater number as the Board may from time to time determine. The members of the Committee shall be appointed by the Board. At least 25% of the members of the Committee shall be resident Canadians in accordance with the *Business Corporations Act* (Alberta).

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Any member of the Committee may be removed or replaced by the Board of Directors. The Board will



fill vacancies on the Committee by appointment from among qualified members of the Board as it may see fit.

2.2 Qualifications and Independence of Members

All of the members of the Committee shall be "independent" directors, as such term is defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which follows the definition of independence found at section 1.4 of National Instrument 52-110 *Audit Committees*.

The members of the Committee must have knowledge of, and experience in dealing with, nomination and governance matters by virtue of their respective professional backgrounds and experience. At least one member of the Committee shall have significant experience in nomination and governance matters generally comparable to the issues that can reasonably be expected to be raised on the Corporation's nomination and governance matters.

2.3 Committee Chair

The chair of the Committee (the "**Chair**") shall be appointed by the Board from among the members of the Committee. The Chair shall preside as chair at each Committee meeting, lead Committee discussions on meeting agenda items and report to the Board, on behalf of the Committee, with respect to the proceedings of each Committee meeting. The Chair shall continue as Chair until his or her successor is appointed.

If the Committee's Chair is unavailable or unable to attend a meeting of the Committee, the Chair shall ask another member to chair the meeting, failing which a member of the Committee present at the meeting shall be chosen, by a majority of the Committee present at such meeting, to preside over the meeting.

The Chair is responsible for the management and performance of the Committee in fulfilling this mandate (this "**Mandate**") and any other responsibilities delegated to it by the Board, including:

- (a) establishing the frequency of Committee meetings and reviewing such frequency from time to time, as appropriate;
- (b) collaborating with the Chairman of the Board to review and assess Committee attendance, performance and compensation and the size, composition and suitability of the Committee;
- (c) collaborating with the Chairman of the Board and the senior officer(s) of the Corporation (including the corporate secretary of the Corporation) to ensure information requested by Committee members is being provided and sufficient, and the agenda, information packages and related events for Committee meetings are properly coordinated; and
- (d) maintaining communication with Committee members, other directors and the Chairman of the Board to co-ordinate input from Committee



members and directors, and optimize the effectiveness of the Committee.

3. AUTHORITY OF THE COMMITTEE

3.1 Engaging and Retaining Advisors

The Committee may, upon notice to and approval of the Chairman of the Board, engage independent consultants, legal counsel, experts and other advisors when required to provide advice and expertise on the Corporation's nomination and governance practices. The Chair shall pre-approve any work to be performed by the Committee's independent consultant. The independent consultant shall not be permitted to carry out any work that could compromise such consultant's independence as an advisor to the Committee.

The Committee shall have sole authority to approve related fees and retention terms of any such consultant or advisor.

3.2 Access

The Committee shall have unrestricted and direct access to the Corporation's personnel and documents and the resources necessary to carry out its responsibilities.

3.3 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee, subject to applicable laws and regulations and any restrictions imposed by any applicable regulatory authority or stock exchange requirements. No subcommittees shall consist of fewer than two (2) members.

3.4 Investigation

The Committee, at the request of the Board or on its own initiative, shall have the authority to direct and to supervise the investigation into any matter brought to its attention within the scope of its duties.

4. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

5. MEETINGS

5.1 Committee Meetings

The Committee shall meet at least two (2) times annually, or more frequently if determined necessary to perform its duties. A meeting may be called by the Chair, any member of the Committee, the Chairman of the Board or the CEO.



The CEO shall be available to advise the Committee, shall receive notice of meetings and may attend meetings at the invitation of the Chair. The Committee may invite to a meeting any other directors, officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or advisable in order to carry out its responsibilities.

Notwithstanding the foregoing, the Committee shall, as practicable, hold an *in camera* session, without management present, in connection with all Committee meetings.

5.2 Notice

A notice of time and place of every meeting of the Committee shall be given in writing to each member of the Committee at least two (2) business days prior to the time fixed for such meeting, unless waived by a member entitled to attend. Attendance of a member of the Committee at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not properly called.

5.3 Quorum

Unless otherwise resolved by the Board, a quorum for meetings of the Committee shall be a majority of its members present in person or by telephone or video conference.

5.4 Decisions

Unless otherwise resolved by the Board, decisions of the Committee shall be determined by a majority of the votes cast.

Subject to the requirements of any applicable laws, regulations or rules, any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all of the members of the Committee. Such written consent shall have the same force as a unanimous vote of the Committee. A copy of any such written consent shall be kept with the minutes of the proceedings of the Committee.

5.5 Minutes

The Committee shall appoint a member of the Committee, other officer of the Corporation or legal counsel to act as secretary at each meeting for the purpose of recording the minutes of each meeting. Minutes of every meeting shall be kept with the Corporation's corporate records.

The minutes of Committee meetings shall be in sufficient detail to convey the substance of all discussions held, and shall accurately record the decisions reached, as well as attendance of members of the Committee at each meeting. The minutes of Committee meetings shall be distributed to members of the Board.



5.6 Reporting

The Chair will regularly report the Committee's activities and recommendations to the Board by distributing the minutes of its meetings and or by oral or written report to the Board.

6. SPECIFIC DUTIES AND RESPONSIBILITIES

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or are delegated to the Committee by the Board.

7. NOMINATION AND GOVERNANCE MATTERS

The Committee shall be responsible for:

- (a) reviewing the Corporation's structures and procedures to ensure the Board is able to, and in fact does, function independently of management;
- (b) reviewing periodically, for Board approval, the Corporation's policies and procedures by which the Board will operate as well as the mandates and terms of reference for the Board, the Chairman of the Board, the CEO, the directors and the committees of the Board;
- (c) assessing 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 and make recommendations to the Board, as required;
- (d) in consultation with the Chairman of the Board and the CEO, recommending committee members and committee chair appointments to the Board for approval and review the need for, and the performance and suitability of, those committees and make recommendations as required;
- (e) at least annually, reviewing and considering the Board's current and long term composition by taking into account:
 - (i) the size of the Board;
 - (ii) the particular competencies and skills ideal for the Board, including requirements to staff certain Board committees;
 - (iii) the competencies and skills each existing director possesses; and
 - (iv) personality and other qualities of each director, as these qualities may determine and contribute to the boardroom dynamic;



- (f) in consultation with the Chairman of the Board and the CEO, recommending to the Board nominees for election as members of the Board and its subsidiaries, keeping in mind the competencies and skills each new nominee will bring to the Board and the ability of the nominee to devote sufficient time and resources to his or her duties as director;
- (g) reviewing, monitoring and making recommendations regarding the orientation and ongoing education and development of directors;
- (h) recommending to the Board each element of total compensation for all directors, with such recommendation having been determined together with the Human Resources and Compensation Committee;
- (i) at the request of the Board or the Chairman of the Board, assisting in assessing the performance of the Board, the Chairman of the Board, Board committees, the committee chairs and individual directors;
- (j) overseeing the Corporation's *Code of Conduct and Conflict of Interest Guidelines* (the "**Code**"), including:
 - (i) periodically reviewing the Code and recommending any necessary revisions to the Board;
 - (ii) ensuring the Code is filed on SEDAR and any amendments to the Code are filed within 30 days;
 - (iii) ensuring a system to monitor compliance with the Code is in place and receive reports on that system; and
 - (iv) leading the Board in considering any explicit or implicit waivers of the Code, and for overseeing the reporting of any waivers that are approved by the Board in order to meet regulatory requirements;
- (k) overseeing the Corporation's *Related Party Transaction Policy*, including:
 - (i) periodically reviewing the Code and recommending any necessary revisions to the Board; and
 - (ii) reviewing Related Party Transactions (as that term is defined in the *Related Party Transaction Policy*);
- (l) ensuring that the Corporation's governance disclosure material is accurate and meets or exceeds all regulatory guidelines, including but not limited to:
 - (i) the Corporation's Board approved terms of reference for the CEO that is used in assessing the performance of the CEO;
 - (ii) the independence of the Board and its committees;



- (iii) the establishment of all required and recommended Board committees;
- (iv) the description of Board, Board committee and individual director evaluation process; and
- (v) all other documents that are required to be publicly disclosed and which are to be made available on the corporate web site, or in hardcopy by request, including but not limited to:
 - (A) terms of reference for the Chairman of the Board; and
 - (B) terms of reference for Board committee chairs,
- (m) recommending to the Board any reports on corporate governance that may be required or considered advisable;
- (n) at the request of the Board, undertaking such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation;
- (o) annually reviewing the 'say on pay' voting results to ensure the practice is effective in achieving its objectives and make a recommendation to the Board; and
- (p) making recommendations to the Board with respect to insurance and indemnification matters for the Corporation's directors and officers.

8. OTHER MATTERS

The Committee shall assist in the regular review of the existing various policies of the Corporation, including the Corporation's *Insider Trading Policy* and the *Related Party Transaction Policy*. Furthermore, at the request of the Audit Committee or management, the Committee shall assist in responding to any governance related matters received in connection with the Corporation's *Whistleblower Policy* or raised anonymously through the Confidence Line.

9. GOVERNANCE DISCLOSURE

The Committee shall review and recommend to the Board for approval, any public disclosure of information relating to the Corporation's governance practices, including the disclosure to be included in the Corporation's management information circular and/or annual information form before the Corporation publicly discloses this information.

10. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established and adopted by the Board for all committees of the Board for assessing the performance and effectiveness of the Committee, including a review of its compliance with this Mandate.



11. MANDATE REVIEW

This Committee shall review and assess the adequacy of this Mandate annually and recommend to the Board any changes it deems appropriate, including to account for best practice guidelines recommended by, and to comply with any rules or regulations disseminated by, securities regulators and stock exchanges, to the extent appropriate for the Corporation.

12. STANDARD OF LIABILITY

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. Subject to all applicable laws, regulations and listing requirements, as well as the Corporation's articles and by-laws, it is not intended to establish any legally binding obligations.