

**MORNEAU SHEPELL INC.**  
**GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

The following Governance and Nominating Committee charter was last revised and approved by the board of Morneau Shepell Inc. (the “**Company**”) on November 10, 2020.

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The Governance and Nominating Committee (the “**Committee**”) of the Company is established by the board of directors of the Company (the “**Board**”). The primary responsibilities of the Committee are:

- (a) develop and recommend to the Board criteria for selecting new directors;
- (b) assist the Board by identifying individuals qualified to become members of the Board and to conduct an annual review of the composition, size, structure and expertise required by the Board and its committees, taking into consideration all diverse backgrounds;
- (c) recommend to the Board the director nominees for the next annual meeting of shareholders and for each committee of the Board and the chair of each committee;
- (d) develop and recommend to the Board appropriate corporate governance principles for the Company;
- (e) oversee director orientation and continuing education;
- (f) recommend to the Board procedures for the conduct of Board meetings, and the proper discharge of the Board of Directors’ Mandate;
- (g) oversee the annual review of the Board, its committees’ and individual directors’ performance and the assessment of the Board and committees’ charters;
- (h) make recommendations with respect to director compensation, insurance coverage and indemnification rights; and
- (i) undertake such other initiatives that may be necessary or desirable to enable the Board to provide effective corporate governance.

**Composition**

- (a) The Board shall elect annually from among its members a Committee to be composed of a minimum of three directors who qualify as “independent directors” within the meaning of National Instrument 52-110 – Audit Committees and any other guidelines imposed by the Toronto Stock Exchange from time to time.

**Reports**

The Committee shall report to the Board after each of its meetings. The report may be oral and shall include matters discussed at the meeting, decisions made and recommendations to the Board.

## **Responsibilities**

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

### ***Nominating Responsibilities***

- (a) review annually the competencies, skills and personal qualities required of Board members in light of relevant factors, including: the objective of adding value to the Company in light of the opportunities and risks facing the Company and the Company's proposed strategies; the need to ensure, to the greatest extent possible, that a majority of the Board is comprised of individuals who meet the independence requirements of the applicable securities legislation or other guidelines; and the policies of the Board with respect to board member tenure, retirement and succession and Board member commitments.
- (b) in co-operation with the Company's officers, establish and oversee an appropriate orientation and education program for new Board members in order to familiarize them with the Company and the nature and operation of the Company's business (including the Company's reporting structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management and the external auditors), the role of the Board and its committees, as well as the contribution individual directors are expected to make.
- (c) actively seek individuals qualified (in context of the Company's needs and any formal criteria established by the Board) to become members of the Board.
- (d) review the membership and allocation of Board members to the various committees of the Board.
- (e) establish procedures for the receipt of comments from all Board members to be included in an annual assessment of the Board's performance, including individual contributions.
- (f) oversee the succession planning process for the Chair and contingency plans in the event of the unexpected departure or incapacitation of the Chair;
- (g) appoint and, if appropriate, terminate any search firm to be used to identify Board candidates.

### ***Governance Responsibilities***

- (a) assess the effectiveness of the Board and its committees and the contribution of each director.
- (b) monitor the size and composition of the Board and the various committees of the Board.

- (c) assess the independence and qualifications of the various members of the Board and the committees and, as necessary, review factors or standards to be applied in making independence determinations.
- (d) review annually and recommend to the Board appropriate compensation for the Board and Committee members.
- (e) in co-operation with the Company's officers, develop for the approval of the Board and thereafter review, as requested by the Board, the adequacy of position descriptions for the Company's Chief Executive Officer, chair of the Board and chairpersons of the committees of the Board.
- (f) at least annually, review the adequacy of, and monitor compliance with, the Company's internal governance guidelines and policies, including recommending to the Board any additional guidelines or policies, as required, and reviewing and making recommendations in respect of:
  - (i) management's monitoring of compliance with the Company's Code of Business Conduct and Ethics (the "**Code**") and Whistleblower Policy, together with any changes to the Code and/or the Whistleblower Policy;
  - (ii) the Company's Insider Trading Policy, Confidential Information Policy and Disclosure Policy, and any other guidelines or policies in place from time to time (collectively, the "**Policies**");
  - (iii) the committee Charters
  - (iv) the Board diversity policies and objectives; and
  - (v) the practices of the Board (including separate meetings of independent directors) with reference to the requirements set out in the Board Mandate.
- (g) if delegated this function by the Board, consider the granting of any waivers from the application of the Code or any of the Policies.
- (h) at least annually, review the governance practices of the Company and its subsidiaries, and their respective boards and committees, to determine compliance with applicable rules and policies of regulatory authorities governing the Company.
- (i) review and respond to requests by individual directors or officers to engage outside advisors. In discharging its mandate, the Board shall have the authority to retain, authorize the payment by the Company of and receive advice from, special legal, accounting or other advisors and outside consultants, if appropriate. Such expenses shall be submitted to the Governance Committee for discussion and approval in advance of engagement.
- (j) review any shareholder proposals to be included in the management information circular of the Company prepared in connection with the annual meeting of shareholders and make appropriate recommendations to the Board.

- (k) review policies and practices with respect to engagement with shareholders, clients and other stakeholders in the Company.
- (l) recommend to the Board for approval the terms upon which directors are compensated (including additional compensation for service as Chair, a committee chair or member or otherwise).
- (m) review and make recommendations regarding directors' and officers' rights to indemnification outlined in the Company's by-laws and indemnification agreement and the directors' and officers' insurance policies of the Company and the approval of the renewal of such policies or the amendment or replacement or the insurer.
- (n) report on governance matters as required by public disclosure requirements.
- (o) undertake such other initiatives as are needed to help the Board deliver exemplary governance.

#### **Committee Structure**

- (a) The Board shall appoint one member of the Committee to act as Chair of the Committee. The Chair will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (b) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than quarterly. Meetings will be at the call of the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that, if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- (d) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- (e) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, or otherwise determined by resolution of the Board.
- (f) If the Chair of the Committee is unavailable for a meeting, the members may appoint another member of the Committee to serve as Chair of that meeting.

- (g) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (h) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or by applicable laws.
- (i) Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting. The Secretary of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

#### **Responsibilities of Committee Chair**

The Chair of the Committee is appointed by the Board to assist the Board in fulfilling its duties effectively and efficiently. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue. The responsibilities of the Chair include:

- (a) acting as a liaison between the Committee and the Board and the Chief Executive Officer and other senior management of the Company;
- (b) reporting to the Board on the work of the Committee;
- (c) recommending procedures to enhance the work of the Committee; and
- (d) chair meetings of the Committee.

#### **Independent Advice**

In discharging its mandate, upon approval of the Board, the Committee shall have the authority to retain and receive advice from special legal, accounting or other advisors. The costs for this independent advice will be borne by the Company.

#### **Annual Evaluation**

At least annually, the Committee shall, in a manner it determines to be appropriate:

- (a) perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter; and
- (b) review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee determines to be appropriate.

#### **Limitation**

Nothing in this Charter is intended to or shall have the effect of limiting or impairing the independent decision-making authority or responsibility of any board of directors/managers of a subsidiary of the Company mandated by applicable law.