



## **CORPORATE GOVERNANCE & NOMINATION COMMITTEE CHARTER**

### **1. PURPOSE**

The Corporate Governance & Nomination Committee (the “Committee”) is an operating committee of the Board of Directors (the “Board”) of Cave Shepherd & Co. Limited (“Cave Shepherd”) and charged with an overarching responsibility to develop and recommend to the Board policies and procedures to maintain high standards of corporate governance. Consequently, the Committee is established to improve the effective handling of matters relating to the governance of the Board and Cave Shepherd and to ensure that corporate fairness, transparency and accountability is promoted in the pursuit of Cave Shepherd’s goals and objectives.

The purpose of the Committee is to review and make recommendations to the Board on matters concerning corporate governance; Board composition; identification, evaluation and nomination of director candidates; Board committees; Board compensation; independence and conflicts of interest. In furtherance of these purposes, the Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

The Board remains responsible for the duties assigned to the Committee and as the Committee has no autonomous decision making power, the Board collectively makes the decisions pertaining to it.

## **2. ESTABLISHMENT OF THE COMMITTEE**

### **2.1 Composition and Independence of Committee Members**

The Committee shall be composed of not less than three (3) independent directors. The members shall be independent of a significant shareholding in Cave Shepherd which shall be determined by legal requirements and determined by director independence standards adopted by the Board in accordance with applicable regulatory requirements. For the avoidance of doubt the Chief Executive Officer (“CEO”) and other Executive Directors shall not be members of the Committee.

### **2.2 Appointment of Committee Members**

Members of the Committee shall be appointed or reappointed by the Board and shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board shall fill a vacancy that occurs at any time.

### **2.3 Committee Chairman and Secretary**

The Board or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, a Chairman among its number. The Committee shall also appoint a Secretary who need not be a director.

### **2.4 Quorum of Committee**

A quorum shall comprise of a least two (2) members of the Committee.

### **2.5 Time and Place of Meetings**

The Committee shall meet at least once a year with authority to convene additional meetings as circumstances require. The time and place of and the procedure at meetings shall be determined from time to time by the Committee. All Committee members are expected to attend each meeting in person or via tele- or video-conference.

Meeting agendas shall be prepared and provided in advance to members together with appropriate briefing materials. Minutes of meetings shall also be prepared.

## **2.6 Reporting to the Board**

The Committee shall regularly report to the Board on its activities and with such recommendations as are deemed desirable in the circumstances.

## **2.7 Access to Management and Professional Advisors**

In fulfilling its responsibilities, the Committee shall have unrestricted access to Management and employees together with full access to all books, records, facilities. The Committee shall, if it deems it necessary to carry out its duties and responsibilities, retain, terminate and approve the fees of any independent legal and professional advisors.

## **3. GENERAL DUTIES and RESPONSIBILITIES of the COMMITTEE**

The Committee's purpose is to:

- 3.1** develop and recommend to the Board frameworks, policies and procedures to maintain high standards of corporate governance;
- 3.2** set criteria for the selection of candidates and recommend candidates for election or re-election as directors;
- 3.3** oversee processes to assess the performance of the Board, its committees and individual directors;
- 3.4** review and make recommendations to the Board on Director compensation; and
- 3.5** advise the Board and management on issues relating to communications and public policy and Cave Shepherd's corporate image and reputation

## **4. SPECIFIC DUTIES and RESPONSIBILITIES of the COMMITTEE**

### **4.1 Director Nomination**

The Committee evaluates the qualifications of each director candidate against the following criteria in connection with its recommendation to the Board concerning each nominee for election or re-election as a director, including members of committees. The Committee, with any input and advice they may wish from the CEO and/or the Board, is responsible for assessing the appropriate mix of skills and characteristics required of Board members based on the Board's

perceived needs at a given point in time and periodically reviews and updates the criteria as deemed necessary.

The Committee shall review together with the Board where appropriate, and advise the Board on the nomination of directors based on the following criteria:

a) Selection Criteria:

- i. Individuals prominent and active in any of a broad variety of businesses, institutions or professions;
- ii. Individuals, irrespective of age, gender, international background, race and/or ethnicity, who possess specific skills, expertise or experience that would complement and/or enhance those already represented on the Board;
- iii. Individuals who possess or would be considered to possess a solid understanding of and/or awareness and familiarity of securities, investment products and services and domestic and global markets;
- iv. Individuals who are or would be considered to be financially literate as described in the regulatory guidelines or Audit Committee Charter;

b) Individual Characteristics:

- i. Individuals with a reputation for integrity and honesty; the highest personal and professional ethics and values and the ability to generate and maintain public confidence;
- ii. Individuals with sound business judgment and independence of mind and who have the ability to work well with others;
- iii. Individuals who are free of any conflict of interest which would violate any law or regulation or interfere with the proper performance of the responsibilities of a director;
- iv. Individuals who have the capacity and desire to represent the best interests of stakeholders and objectively appraise management performance; and
- v. Individuals who have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a director.

## **4.2 *Review of Board, Committees and Individual Directors***

The Committee shall when necessary:

- 4.2.1 Review the competencies and skills of the Board and Board Committees as a whole as well as the individual directors;
- 4.2.2 Assess and evaluate whether there is a substantial change in the credentials underlying the appointment of directors (i.e. time, skills)
- 4.2.3 Assess and evaluate the independence of individual directors based on all legal and regulatory requirements as well the Board's criteria which shall be issued from time to time;
- 4.2.4 Assess and evaluate whether there is a substantial change in the independent directors' position, status or employment which would significantly impact his independence on the Board and/or Board Committees;
- 4.2.5 Review director's continuing compliance with respect to conflict of interest; and
- 4.2.6 Recommend to the Board the removal of a Director where appropriate

## **4.3 *Corporate Governance***

The Committee shall:

- 4.3.1 Monitor trends in corporate governance on a continuing basis and shall make recommendations to the Board on corporate governance when necessary;
- 4.3.2 Assess the effectiveness of the system of governance in Cave Shepherd, including development of Cave Shepherd's governance practices and guidelines;
- 4.3.3 Review periodically the succession planning for the CEO and other executive officers, reporting its findings and recommendations to the Board and working with the Board in evaluating potential successors to these executive management positions;
- 4.3.4 Make recommendations to the Board on policies governing the overall size, structure and composition of the Board including:
  - a. The eligibility criteria in relation to independence, financial expertise and literacy, investment expertise and literacy, conflicts of interests and interlocking directorships
  - b. Selection and nomination process for the Board; and
  - c. The amount and form of compensation of the directors.

#### **4.4 Compensation**

The Committee shall:

- 4.4.1 Review and if advisable, recommend for Board approval, the compensation paid to directors, as it considers appropriate; and
- 4.4.2 evaluate director compensation, consulting with outside consultants when appropriate;

#### **4.5 Director Orientation and Continuing Education**

The Committee shall make recommendations to the Board on:

- 4.5.1 the orientation plan for new directors which shall include but is not limited to written materials, oral presentations and meetings with senior members of management; and
- 4.5.2 ongoing education programs, conferences or seminars that assist directors in remaining current and effective on the Board and/or Committees.

#### **4.6 Public Policy and Communication**

The Committee shall:

- 4.6.1 Review Cave Shepherd's public disclosure of its corporate governance practices and guidelines;
- 4.6.2 Review Cave Shepherd's efforts to ensure its operations remain consonant with corporate values and expectations and the regulatory environment;
- 4.6.3 Be proactive in identifying, assessing and advising management on public affairs issues that significantly impact Cave Shepherd;
- 4.6.4 Review Cave Shepherd's processes for communicating to and dealing with communications from shareholders and/or investors, customers and employees; and
- 4.6.5 Review the corporate contributions and community involvement programs of Cave Shepherd.

### **5. ANNUAL EVALUATION**

The Committee shall:

- 5.1** Conduct a performance evaluation annually and report to the Board the results of the annual performance evaluation;

- 5.2 Annually review the Committee's Charter and recommend any proposed changes to the Board for approval
- 5.3 Annually review the Committee and the Board Chairmen position descriptions and recommend any proposed changes to the Board for approval.

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