

APPENDIX I – DIRECTOR SELECTION CRITERIA AND SEARCH PROCESS

1. SEARCH PROCESS

- 1.1 When recruiting new directors, the Corporate Governance Committee (the “Committee”) will identify candidates for consideration as potential directors and select the names of the most suitable candidates. Such selection will be made based on merit after considering the skill sets and required attributes as prioritized by the Committee (with input from the Chair, and the CEO, as requested) from time to time as well as considering the Board Diversity Policy (set out in Appendix L). The Committee may use the services of outside consultants in searching for or doing background checks on candidates.
- 1.2 The Committee will maintain a list of potential directors who meet the established criteria and review such list as needed in order to track progress and identify suitable candidates. Board members, many of whom serve on other corporate boards, are encouraged to submit names.
- 1.3 As requested by the Committee, the Chair, and the CEO, as well as any other directors the Committee deems appropriate, will interview the candidates. Following receipt of the reports of the Chair and the CEO as to such interviews, the Committee will then make such recommendations as it deems appropriate to the Board.

2. DIRECTOR CRITERIA

- 2.1 In addition to meeting the requirements of the Company’s charter documents, the *Business Corporations Act* (British Columbia) and any successor thereto, and any applicable securities laws:
 - (a) The Committee will consider the independence of the candidate. A director will be considered “independent” only if the Board determines that the director satisfies all the tests for an “independent director” under applicable laws, rules and regulations binding on the Company from time to time, including the applicable rules of stock exchanges on which the Company’s shares are listed, such as the requirements for independence under National Instrument 52-110 *Audit Committees* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators, Section 303A of the New York Stock Exchange Listed Company Manual applicable to foreign private issuers, and Rule 10A-3 – *Listing Standards Relating to Audit Committees* promulgated under the U.S. Securities Exchange Act of 1934 to implement section 3 of the U.S. Sarbanes-Oxley Act of 2002. In addition, the Company has voluntarily adopted the independence provisions in Rule 303A of the New York Stock Exchange Listed Company Manual that are not mandatory for foreign private issuers; and
 - (b) The Committee will consider the requirements and/or guidelines of the Company’s director policies as outlined in Appendix B (including, for example, the term limit and attendance policies and director change in circumstances).
- 2.2 The process outlined below illustrates the steps the Committee should follow in establishing the criteria a new director must meet:
 - (a) The Committee will consider the Company’s current corporate and strategic objectives and determine what knowledge and experience new directors should have to best enhance the Company’s corporate and strategic objectives;

- (b) The Committee will conduct a skills assessment of the current Board by reviewing the background, experience and skills of each director, including diversity considerations;
- (c) The Committee, on an annual basis, or any other time as the Committee may determine, shall take into consideration the review conducted in 2.2(a) and 2.2(b), and conduct a skills gap analysis to prioritize the criteria for new directors which will complement the current Board and assist in addressing any gap in background, experience or skills; and
- (d) The Committee, on an annual basis, or any other time as the Committee may determine, shall take into consideration the review conducted in 2.2(c), and review an ‘evergreen list’ of potential Board candidates to determine the availability and suitability of such candidates.