



# **NOMINATING COMMITTEE TERMS OF REFERENCE**

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## Nominating Committee Terms of Reference

### GRANITE OIL CORP. (the "Corporation")

#### 1. Composition and Process

- (a) This Committee shall be composed of at least three individuals appointed by the Board of Directors of the Corporation (the "Board") from amongst its members, all of which members will be independent within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees (as set out in the Corporation's Director Independence Policy). "Independent" generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.
- (b) Members shall serve one year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
- (c) The Chairperson shall be a director appointed by the Board for a one year term and may serve any number of consecutive terms.
- (d) The Chairperson shall, in consultation with management and the members of the Committee, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.
- (e) The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board and the Chief Executive Officer, or such other officer acting in that capacity ("CEO").

The primary function of the Nominating Policy (the "**Policy**") is to assist the Corporate Governance and Compensation Committee (the "**Committee**") in identifying individuals qualified to become new directors of the Corporation and recommending to the board of directors (the "**Board**") the new director nominees for the next Annual General Meeting of shareholders.

#### 2. Authority

The Board has granted the Committee the authority herein provided. The Committee has the authority to retain, at the Corporation's expense, persons having special competencies (including, without limitation, legal, accounting, compensation or other consultants and experts) to assist the Committee in fulfilling its responsibilities. The Committee has the sole authority to terminate the Committee's engagement of its experts and to approve the fees and other terms of retention of such experts. The Committee reports to the Board.

#### 3. Responsibilities

The Committee will review with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and any perceived needs. In addition, on an annual basis, the Committee will assess the Board's compliance with laws and policies relating to the independence of certain Board members.

The following is an outline of the process for nomination of candidates for election to the Board:

- (a) the Chairman or Chief Executive Officer, the Committee or other members of the Board identify the need to add new Board members, with careful consideration of the mix of qualifications, skills and experience represented on the Board;
- (b) the Committee coordinates the search for qualified candidates with input from management and other Board members;
- (c) the Committee engages a candidate search firm to assist in identifying potential nominees, if it deems such engagement necessary and appropriate;
- (d) selected members of management and the Board will interview prospective candidates; and
- (e) the Committee will recommend a nominee and seek full Board endorsement of the selected candidate, based on its judgment as to which candidate will best serve the interests of the Corporation's shareholders. The Committee considers any candidates submitted by shareholders on the same basis as any other candidate. Any shareholder with a nomination should submit such candidate's name, along with a curriculum vitae or other summary of qualifications, experience and skills to the Corporate Secretary, Daniel Kenney, c/o DLA Piper (Canada) LLP, 1000, 250 - 2 Street S.W., Calgary, Alberta, T2P 0C1.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under state or federal law for directors of a Corporation.

#### **4. Meetings**

- (a) The Committee will meet at least twice per year. In addition, the independent directors of the Committee will consider holding regularly scheduled meetings (or holding *in camera* sessions at regular Board meetings) at which non-independent directors and members of management are not in attendance. All meetings will be scheduled to permit timely consideration of topics or responsibilities. Additional meetings may be held as deemed necessary by the Chairperson of the Committee or as requested by any member of the Committee.
- (b) A quorum at meetings of the Committee shall be its Chairperson and one of its other members or the Chairman of the Board. The Committee may hold its meetings, and members of the Committee may attend meetings by means of teleconference.

#### **5. Board and Director Requirements**

The directors will be elected each year by the shareholders at the annual meeting of shareholders. The Board will propose a slate of nominees to the shareholders for election to the Board at such meeting. Between annual meetings of shareholders, the Board may elect directors to serve until the next such meeting.



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In discharging its responsibilities, the Committee shall ensure the Board and any recommendations for new nominee directors to the Board comply with the following requirements:

- (a) Each director should possess the following minimum qualifications:
  - (i) the highest personal and professional ethics, integrity and values;
  - (ii) commitment to representing the long-term interest of the shareholders;
  - (iii) broad experience at the policy-making level in business, government, education, technology or public interest; and
  - (iv) sufficient time to effectively fulfill duties as a Board member.

The Committee will endeavor to recommend qualified individuals to the Board who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Corporation.

- (b) The Board will have a sufficient number of directors who meet the criteria for independence required by applicable laws, rules and regulations and the guidelines established by the Board.

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