



## IPL PLASTICS INC.

### MANDATE OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

#### INTRODUCTION

The purpose of this mandate is to describe the principal duties and responsibilities of the corporate governance and nominating committee (the "**Corporate Governance and Nominating Committee**") of the board of directors (the "**Board**") of IPL Plastics Inc. (the "**Company**"), as well as some of the policies and procedures that apply to the Corporate Governance and Nominating Committee in discharging its duties and responsibilities.

#### 1. MEMBERSHIP

- 1.1 The Corporate Governance and Nominating Committee shall comprise at least three directors of the Company, all of whom shall be independent (as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as it may be amended or replaced from time to time). All members of the Corporate Governance and Nominating Committee shall also have a working familiarity with corporate governance practices.
- 1.2 No member of the Corporate Governance and Nominating Committee shall receive, other than for services on the Board, the Corporate Governance and Nominating Committee or any other committees of the Board, any consulting, advisory or any other compensatory fee from the Company or any of its related parties or subsidiaries.
- 1.3 Only members of the Corporate Governance and Nominating Committee have the right to attend committee meetings. However, other individuals such as the chief executive officer of the Company (the "**Chief Executive Officer**"), the head of human resources and external advisers of the Company may be invited to attend any meeting, as and when appropriate and necessary. The Corporate Governance and Nominating Committee should meet *in camera* without members of management in attendance for a portion of each meeting of the Corporate Governance and Nominating Committee.
- 1.4 Members of the Corporate Governance and Nominating Committee and the chairman of the Corporate Governance and Nominating Committee (the "**Committee Chairman**") shall be appointed by the Board. In the absence of the Committee Chairman at a given meeting, the remaining members of the Corporate Governance and Nominating Committee present at the meeting shall elect one of themselves to chair the meeting.
- 1.5 The Board may remove a member of the Corporate Governance and Nominating Committee at any time and may fill any vacancy occurring on the Corporate Governance and Nominating Committee. A member of the Corporate Governance and Nominating Committee may resign at any time and a member will automatically cease to be a member of the Corporate Governance and Nominating Committee upon ceasing to be a director of the Company.
- 1.6 If a regular member of the Corporate Governance and Nominating Committee is unable or unwilling to act due to absence, illness or any other cause, the Committee Chairman may, after consultation with the chairman of the Board, appoint another director of the company to serve as an alternate member. Such alternate member shall meet the requirements of this mandate and applicable laws.

- 1.7 The Corporate Governance and Nominating Committee may delegate any of all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.

## **2. SECRETARY**

The secretary of the Company or his or her nominee shall act as the secretary of the Corporate Governance and Nominating Committee (the "**Secretary of the Committee**").

## **3. QUORUM**

A majority of members will constitute a quorum for a meeting of the Corporate Governance and Nominating Committee. A duly convened meeting of the Corporate Governance and Nominating Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Corporate Governance and Nominating Committee. Each member will have one vote and decisions of the Corporate Governance and Nominating Committee will be made by an affirmative vote of the majority. Powers of the Corporate Governance and Nominating Committee may also be exercised by written resolutions signed by all members.

## **4. FREQUENCY OF MEETINGS**

The Corporate Governance and Nominating Committee shall meet at least twice a year and at such other times as the Committee Chairman shall require.

## **5. NOTICE OF MEETINGS**

- 5.1 Meetings of the Corporate Governance and Nominating Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 5.2 Unless otherwise agreed, notice of each meeting confirming its venue, time and date, together with an agenda of items to be discussed at such meeting, shall be forwarded to each member of the Corporate Governance and Nominating Committee and any other person required to attend reasonably in advance of the meeting, together with supporting documents (if any). The Corporate Governance and Nominating Committee may require officers and employees of the Company to produce such information and reports as the Corporate Governance and Nominating Committee may deem appropriate in order for it to fulfill its duties.
- 5.3 The Corporate Governance and Nominating Committee may meet by telephone conference call or by any other means permitted by law or the Company's bylaws.

## **6. MINUTES OF MEETINGS**

- 6.1 The Secretary of the Committee, or any other person acting in such capacity, and appointed by the Corporate Governance and Nominating Committee, shall minute the proceedings and decisions of all meetings of the Corporate Governance and Nominating Committee, including recording the names of those present and in attendance.
- 6.2 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of committee meetings shall be circulated promptly to all members of the Corporate Governance and Nominating Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

## 7. ANNUAL SHAREHOLDERS MEETING

The Committee Chairman should attend the annual shareholders meeting of the Company to answer any shareholder questions on the Corporate Governance and Nominating Committee's activities.

## 8. DUTIES

The Corporate Governance and Nominating Committee should carry out the following duties:

- 8.1 annually review and make recommendations to the Board for consideration in respect of the Company's corporate governance principles and practices (including the Company's code of conduct and insider trading policy), the Board mandates and position descriptions, and associated disclosure;
- 8.2 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board for consideration with regard to any changes;
- 8.3 keep up to date and remain informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 8.4 be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.5 before nominating new directors, first consider the obligations of the Company under any nominating right agreements to which the Company is a party and then evaluate the balance of skills, knowledge, experience and diversity on the Board. In identifying suitable candidates, the Corporate Governance and Nominating Committee may:
  - 8.5.1 use open advertising or the services of external advisers to facilitate the search;  
and shall
  - 8.5.2 consider what competencies and skills the Board, as a whole, should possess. The Board should be considered as a group, with each individual making his or her own contribution;
  - 8.5.3 consider candidates from a wide range of backgrounds; and
  - 8.5.4 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- 8.6 A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
- 8.7 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 8.8 conduct, review and report to the Board the results of the Board's performance and effectiveness;
- 8.9 make recommendations to the Board with respect to compensation policies applicable to all directors, including benefit plans and other types of compensation;

- 8.10 provide all new directors with comprehensive orientation to, among other things, fully understand the role of the Board and its committees, the contribution individual directors are expected to make, and the nature and operation of the Company's business;
- 8.11 provide continuing education opportunities for all directors so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current;
- 8.12 develop, review and monitor procedures for meeting the Board's information needs, including formal and informal access to executive management; and
- 8.13 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

The Corporate Governance and Nominating Committee shall also make recommendations to the Board concerning:

- 8.14 the size, composition and membership of the audit and human resources and remuneration committees of the Company, as well as any other Board committees, in consultation with the chairman of those committees;
- 8.15 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to applicable laws and the provisions of such director's services agreement; and
- 8.16 the appointment of any director to executive or other office.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Corporate Governance and Nominating Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. OTHER MATTERS**

The Corporate Governance and Nominating Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.2 give due consideration to applicable laws, regulations and rules of any stock exchange upon which the Company's securities are listed;
- 10.3 arrange for periodic reviews of its own performance and review its constitution and mandate to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.4 perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

## **11. AUTHORITY**

- 11.1 The Corporate Governance and Nominating Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 The Corporate Governance and Nominating Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within the scope of its mandate (including executive search firms to assist the Committee in identifying director candidates). For the avoidance of any doubt, the Corporate Governance and Nominating Committee has sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board.

## **LIMITATIONS ON COMMITTEE'S DUTIES**

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or the members of the Corporate Governance and Nominating Committee.

Member of the Corporate Governance and Nominating Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, and (ii) the accuracy and completeness of the information provided.

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