

## **AIRBOSS OF AMERICA**

### **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

#### **MANDATE AND TERMS OF REFERENCE**

##### **Role and Objective**

The Nominating and Corporate Governance Committee (the "Committee") is a committee of the board of directors (the "Board ") of AirBoss of America Corp. (the "Corporation") to which the Board has delegated the responsibility for developing the approach of the Corporation to matters concerning corporate governance and, from time to time, shall review and make recommendations to the Board as to such matters.

##### **Membership of the Committee**

1. The Committee shall be comprised of three members or such greater number as the Board may from time to time determine, all of whom shall be independent directors (as such term is used in National Policy 58-201 – *Corporate Governance Guidelines*).
2. The Board shall appoint a member to be the Committee Chair.

##### **Mandate and Responsibilities of the Committee**

1. In addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for:
  - (a) annually reviewing the mandates of the Board and its committees and the position descriptions of the Chair of the Board, lead independent director and Chief Executive Officer of the Corporation, and recommending to the Board such amendments to those mandates and position descriptions as the Committee believes are necessary or desirable;
  - (b) recommending to the Board annually the statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by National Instrument 58-101 – *Disclosure of Corporate Governance Policies* of the Canadian Securities Administrators and by any other regulatory authority;
  - (c) making recommendations to the Board as to which directors should be classified as "independent directors" pursuant to applicable securities laws and regulations and stock exchange rules;
  - (d) reviewing on a periodic basis the composition of the Board, including consideration of the appropriate size of the Board, and ensuring that an appropriate number of independent directors sit on the Board;

- (e) assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors;
- (f) developing and monitoring appropriate processes for the periodic performance assessment of the Board, Board committees, Board and committee chairs and individual directors;
- (g) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors;
- (h) as required, developing, for approval by the Board, an orientation and continuing education program for new recruits to the Board;
- (i) acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (j) developing, recommending to the Board for approval and periodically reviewing structures and procedures designed to ensure that the Board can function effectively and independently of management;
- (k) making recommendations to the Board regarding appointments of corporate officers and senior executives;
- (l) reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- (m) reviewing and periodically updating a Code of Business Conduct and Ethics (the "Code") to be approved by the Board, ensuring that management has established a system to monitor compliance with the Code and reviewing the effectiveness of management's monitoring; and
- (n) developing for approval by the Board and monitoring appropriate corporate governance structures and procedures, including the identification of decisions requiring the approval of the Board and, where appropriate, measures for receiving feedback from shareholders.

### **Meetings and Administrative Matters**

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.

2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least one time per year and at such other times as the Chair of the Committee may determine.
5. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
6. The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee. However, the Committee shall ensure that it holds discussions without the presence of management at each meeting.
7. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
8. Written resolutions signed by all members of the Committee shall have the same force and effect as a resolution or other decision approved by a majority of members at a duly constituted meeting of the Committee.
9. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
10. Any members 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. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the next annual meeting of shareholders following appointment as a member of the Committee.
11. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board and the lead independent director, if applicable, by the Committee Chair.

Approved by the Board of Directors on March 16, 2017