

APPENDIX 3

Nominations and Board Development Committee Terms of Reference

Composition

The Board of Directors (the Board) shall appoint a Nominations and Board Development Committee (the Committee) consisting of a minimum of three (3) and up to four (4) Directors.

Accountability

The Committee shall formally report annually to the Board on its activities and more often as required.

Committee Meeting Procedures

The Committee shall meet biannually and more frequently as may be necessary to fulfill its responsibilities.

A quorum shall be a majority of the Committee.

Meetings may be called by the Chair or a majority of the Committee and whenever possible, seven (7) days notice in writing shall be circulated to the Committee members.

Whenever possible, an agenda and required reports shall be circulated in advance of the meeting.

Minutes of every meeting shall be recorded and circulated to the Board.

Purpose and Authority

The Committee receives nominations and identifies and nominates qualified candidates for all positions on the Board.

At least annually, the Committee reviews the collective skills, knowledge and experience of the Board to evaluate if the Board has the required intellectual assets as per the "Skills & Experience Profile" attached.

The Committee must set forth at least a minimum number of candidates required to fill vacant directorships becoming vacant.

Functions and Responsibilities

Based on an annual evaluation of the collective skills, knowledge and experience of the Board, the Committee shall identify any areas for improvement and recommend appropriate development, education and training opportunities for Board members. This annual review will also assist in prioritizing the Asset Qualifications sought in the recruitment of new individuals to serve on the Board.

The Committee is responsible for evaluating Board candidates to ensure the proposition of qualified high caliber individuals who are familiar with Directors' responsibilities and subscribe to the Board's Code of Conduct as per Appendix 1.

To this end, the Committee shall:

- Develop criteria and tools for evaluation of Board candidates to provide the Board collectively with the best possible combination of capabilities and knowledge.
- Receive nominations of potential candidates
- Actively recruit potential candidates
- Screen and interview qualified candidates
- Recommend to the Board qualified candidates to fill vacancies throughout the year
- Review and recommend to the Board changes in policy and procedures related to the nomination and approval of Directors
- Formally report its recommendations to the Board prior to each Annual General Meeting of the Company. (The Board may request the Committee meet with the Shareholder to present the proposed candidates for appointment to the Board.)

Director Selection Process

The Committee will use the following process for selecting new Directors:

1. Gather recommended names of potential Director candidates from existing Directors, SCCF Ltd. Management and the Shareholder.
2. Place advertisements in local newspapers to invite potential candidates to apply to become a Company Director.
3. Gather CV's for all potential Director candidates.
4. Review key the knowledge, skills and experience of each candidate and prioritize the best candidates with a view to strengthening the Board. Consider geographic, gender, age and ethnic representation from all communities served by the SCCF Ltd.
5. Interview the candidates that appear to provide the best skills and experience and recommend those candidates to the Board for their review and possible approval.

6. Ensure each candidate interviewed are given a copy of “Expectations & Commitments of SCCF Board Members” to read, and that they understand and agree to comply with the terms therein.
7. Upon approval by the Board, the recommended candidates shall be presented to the Shareholder for their consideration, including analysis of the reasons and supporting evidence for the nominations, and subsequent appointment to the Board.
8. If the Shareholder decides to withhold one or more of the recommended appointments, the Committee will recommence the selection process until the required number of Directors are appointed.

SKILLS AND EXPERIENCE PROFILE

Appointments to the Board of Directors of Sunshine Coast Community Forest Ltd. (SCCF) will be guided by the following selection criteria:

ESSENTIAL QUALIFICATIONS

Statutory

Persons appointed to the board must be “qualified individuals”. Specifically, this means an individual who:

- Is not an employee of the SCCF Ltd or the Shareholder
- Does not hold elected public office of any type.

All potential appointees to the SCCF Board must agree to comply with the provisions related to Director qualifications and conflicts addressed in Appendix 1 of the Corporate Governance Policy concerning the Code of Conduct of Directors.

Personal Attributes:

All directors must possess the following personal attributes:

1. High ethical standards and integrity in professional and personal dealings;
2. Ability and willingness to raise potentially controversial issues in a manner that encourages dialogue;
3. Flexibility, responsiveness and willingness to consider change;
4. Ability and willingness to listen to others;
5. Capability for a wide perspective on issues; and,
6. Ability to work as a team member.

Core Competencies:

All Directors must possess the following core competencies:

1. Well-developed faculty for critical analysis;
2. Basic financial literacy, including an ability to read financial statements and understand the relevance to planning, performance measurement and accountability;
3. Appreciation of the unique role of SCCF Ltd as the entity operating the Sunshine Coast Community Forest;
4. Thorough knowledge of the responsibilities and duties of a director; and,
5. Ability to distinguish corporate governance from management.

ASSET QUALIFICATIONS

As a whole, the Board should possess the following skills, knowledge and experience, while individual Directors should possess at least one and preferably more:

1. **Interpersonal** – significant experience at a senior level managing the operations of a commercial, non-profit or government entity and demonstrated skills in team work, consensus building and conflict resolution
2. **Business** – experience in operating a business in British Columbia and/or on a Board of Directors of a business entity
3. **Accounting and Finance** – accounting and financial expertise including financial management, accounting knowledge or education, and auditing enterprises
4. **Legal/Regulatory** – a law degree or experience working in, or significant knowledge of the issues associated with a commercial entity regulated by statute.
5. **Resource Industries**
Forestry – knowledge and experience with respect to forestry in BC, including environmental and safety compliance issues.
Non-timber Resource Knowledge – experience and knowledge of non-timber resource activities such as recreation, bio-diversity and environmental management.
6. **Communications** – experience in developing and/or leading communications programs including Marketing, Public Relations, and Social Media Expertise:
7. **Community, Stakeholder and First Nation Relations** – experience with consultation processes with local governments, stakeholders, NGOs and/or indigenous interests.
8. **Local knowledge** - with respect to geographical, historical, ecological and cultural aspects of the SCCF Ltd. operating chart area and the communities it serves.

EXPECTATIONS & COMMITMENTS

Refer to “**CODE OF CONDUCT FOR DIRECTORS, OFFICERS, EMPLOYEES AND VOLUNTEERS**”