



# FILO CORP.

(the “Corporation”)

## CORPORATE GOVERNANCE AND NOMINATING COMMITTEE MANDATE

(as adopted by the Board of Directors of the Corporation (the “Board”) on August 3, 2016, amended May 10, 2018, September 27, 2021, March 22, 2022, May 10, 2023 and March 20, 2024)

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### 1. Purpose

- 1.1 The overall purpose of the Corporate Governance and Nominating Committee (the “**CGN Committee**”) is to provide a focus on corporate governance that will enhance corporate performance, and to ensure on behalf of the Board and shareholders of the Corporation that the Corporation’s corporate governance system is effective in guiding the administration and operation of the Corporation.

### 2. Duties and Responsibilities

- 2.1 The CGN Committee has the responsibility in general for developing and monitoring the Corporation’s approach to corporate governance issues and safe and sustainable business practices, and without limiting the generality of the foregoing, shall be responsible for the following specific matters:
- (i) the Corporation’s response to applicable rules, policies and guidelines respecting corporate governance matters;
  - (ii) assessing the effectiveness of the Board as a whole, the CGN Committee and the contribution of individual directors on a periodic basis, which will include monitoring the quality of the relationship between management and the Board and recommending any improvements, if necessary. This assessment will consider, in the case of the Board or a committee of the Board, its mandate or charter and, in the case of individual directors, the applicable position description as well as the competencies and skills each individual director is expected to bring to the Board;
  - (iii) ensuring that, where necessary, appropriate structures and procedures are in place to ensure that the Board can function independently of management and to facilitate open and candid discussion among its independent directors, including, without limitation, that a lead director is appointed if the CGN Committee determines that such appointment would facilitate the independent function of the Board;
  - (iv) ensuring compliance with the Corporation’s Guidelines for the Composition of the Board of Directors;
  - (v) preparing or reviewing any disclosure that must be made or approved by the Board that relates to corporate governance matters;

- (vi) periodically examining the size of the Board, with a view to determining the impact of the number of directors upon effectiveness, and making recommendations where appropriate to the Board as to any programs the CGN Committee determines to be appropriate to reduce or increase the number of directors to a number which facilitates more effective decision making;
- (vii) identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders;
- (viii) assessing directors on an ongoing basis;
- (ix) developing, with the assistance of management, an orientation and education program for new recruits to the Board, where necessary; and
- (x) considering questions as to the appropriateness of a director engaging an outside advisor at the expense of the Corporation in the circumstances required by applicable policies of the Board;

### **3. Composition, Procedures and Organization**

- 3.1 The members of the CGN Committee shall be appointed by the Board from its members from time to time, provided that the CGN Committee shall have at least three members and should be composed entirely of “independent” directors within the meaning of National Policy 58-101 - Disclosure of Corporate Governance Practices.
- 3.2 In making its recommendations for nominees for director, the CGN Committee will consider and advise the Board as to:
  - (i) the competencies and skills that the CGN Committee considers to be necessary for the Board, as a whole, to possess;
  - (ii) the competencies and skills that the CGN Committee considers each existing director to possess; and
  - (iii) the competencies and skills each new nominee will bring to the Board.
- 3.3 The CGN Committee will also consider and advise the Board whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.
- 3.4 The CGN Committee will also consider the diversity of the Board, including diversity with respect to the representation of “designated groups” (as defined in the *Employment Equity Act* (Canada)) on the Board, as set out in the Corporation’s Board and Executive Officer Diversity Policy.
- 3.5 If the CGN Committee determines that the appointment of a lead director would facilitate the independent function of the Board, then the CGN Committee shall identify and recommend to the Chair of the Board an individual director who qualifies as an “independent” director within the meaning of National Policy 58-201 to serve as lead director until the next annual meeting, or until he or she is removed by the Board or until his or her successor is earlier appointed, or until he or she ceases to be a director of the Corporation.

- 3.6 The CGN Committee is responsible for overseeing the Corporation's Executive Officer Succession Policy and will:
- (i) review the current state of succession planning matters and report to the Board on its findings and recommendations;
  - (ii) assure that the Corporation has in place appropriate planning to address emergency CEO succession planning in the event of extraordinary circumstances; and
  - (iii) review the Executive Officer Succession Policy and the Corporation's CEO succession plans at least annually.
- 3.7 The CGN Committee is responsible for overseeing management in its responsibilities with respect to human capital management including talent attraction, recruitment and turnover, workforce compensation, workforce composition and diversity, employee engagement, health and well-being and workforce training. The Board will integrate human capital management into its oversight of corporate strategy and risk.
- 3.8 The CGN Committee shall meet as frequently as necessary in order to fulfill the responsibilities described above, and in any event at least quarterly and shall provide a report of the meeting to the Board at the next Board meeting. A quorum for the CGN Committee shall be two members.

#### **4. Term of CGN Committee Members**

- 4.1 The members of the CGN Committee shall be appointed annually at the time of each annual meeting of shareholders, and shall hold office until the next annual meeting, or until they are removed by the Board or until their successors are earlier appointed, or until they cease to be directors of the Corporation.

#### **5. Vacancies**

- 5.1 Where a vacancy occurs at any time in the membership of the CGN Committee, it may be filled by the Board, and shall be filled by the Board if the membership of the CGN Committee is fewer than two directors. The Board may remove and replace any member of the CGN Committee.

#### **6. Access to Information and Authority**

- 6.1 The CGN Committee will be granted unrestricted access to all information regarding the Corporation and all directors, officers, employees, consultants and contractors will be directed to cooperate as requested by members of the CGN Committee. The CGN Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

#### **7. Review of Mandate**

- 7.1 The CGN Committee shall review this Mandate annually and make recommendations with respect to any material changes to the Board for consideration and approval.