



UNIGOLD INC.

## MANDATE OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

*This Mandate was approved by the Board of Directors of Unigold Inc. on August 22, 2012 and replaces all previous mandates, charters, terms of reference or other similar documents prescribing the procedures, powers and duties of the Corporate Governance and Nominating Committee. The footnotes are included for members' reference only and set out the source and authority for certain responsibilities and other matters addressed in this Mandate.*

There shall be a standing committee of the Board of Directors (the "**Board**") of Unigold Inc. (the "**Corporation**") known as the Corporate Governance and Nominating Committee (the "**Committee**").<sup>1</sup>

### 1. PURPOSE AND OBJECTIVES

The Committee has been established to assist the Board by:

- a) developing, reviewing and planning the Corporation's approach to corporate governance issues, including developing a set of corporate governance principles and guidelines specifically applicable to the Corporation;<sup>2</sup>
- b) identifying and recommending to the Board potential new nominees to the Board;<sup>3</sup>
- c) monitoring management's succession plan for the CEO and other senior management;<sup>4</sup> and
- d) overseeing enforcement of and compliance with the Corporation's Code of Conduct (the "Code").<sup>5</sup>

### 2. AUTHORITY

The Committee shall have the sole authority to retain (or terminate) such consultants or advisors as necessary to assist the Committee in carrying out its duties. The Committee shall be provided with the necessary funding to compensate any consultants or advisors retained by the Committee.

The Committee shall have full access to the Corporation's books, records, facilities and personnel.

### 3. MEMBERSHIP AND ORGANIZATION

- a) The Committee membership shall be comprised of as many members as the Board shall

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<sup>1</sup> National Policy 58-201 ("NP 58-201"), s. 3.4(g) and s. 3.10.

<sup>2</sup> NP 58-201, s. 3.4(g).

<sup>3</sup> NP 58-201, s. 3.13.

<sup>4</sup> NP 58-201, s. 3.4(d).

<sup>5</sup> NP 58-201, s. 3.9.

determine, but in any event not fewer than three (3) members. The Committee's composition shall meet all independence, legal and regulatory requirements.<sup>6</sup> The Board shall designate the Chair of the Committee and in so doing shall consider the recommendation of the Committee. Each member shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

- b) The Chairman of the Committee, following consultation with Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee shall meet a minimum of twice a year including once prior to the Board meeting to approve the Corporation's statement of Corporate Governance Disclosure contained in the management information circular for the Corporation's Annual Meeting. Additional meetings will be scheduled as required in response to specific circumstances.
- c) A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee.
- d) The Chairman of the Committee shall be responsible for leadership of the Committee, including developing and setting the Committee's agenda in consultation with members of the Committee, the Board and management, presiding over meetings, making committee assignments and reporting to the Board. If the Chair is absent, the Committee members shall choose one of their member to be Chair.
- e) To the extent possible, a schedule for each of the meetings will be disseminated to Committee members as early in each year as practicable.
- f) A detailed agenda for each meeting will be disseminated to Committee members as far in advance of each meeting as is practicable.

#### **4. DUTIES AND RESPONSIBILITIES**

The Committee is mandated to carry out the following responsibilities:

##### **a) Corporate Governance**

The Committee shall:

- i. Develop a set of corporate governance principals and guidelines that are specifically applicable to the issuer.<sup>7</sup>
- ii. Review and assess the adequacy of the Corporation's corporate governance system annually and report to the Board, which report shall include any recommendations regarding the Corporation's corporate governance practices which the Committee deems appropriate.
- iii. Monitor developments and changes in corporate governance best practices and standards and requirements by all applicable regulating agencies, self-regulatory bodies and stock exchanges.
- iv. Review the disclosure regarding the Corporation's system of governance to be contained in the Corporation's Annual Report or management information circular to ensure it constitutes full and complete disclosure of such system in response to NI 58-101 and other applicable legal and regulatory requirements.

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<sup>6</sup> NP 58-201, s. 3.4 (g) (Footnote 1) and s. 3.10.

<sup>7</sup> NP 58-201, s. 3.4(g).

**b) Review of Policies**

The Committee shall review on an annual basis and approve the various Mandates, terms of reference, or other similar documents prescribing the procedures, powers and duties of the Board and its standing committees, as well as Corporation's corporate policies and material amendments thereto including the Corporation's *Disclosure Policy, Whistleblower Policy, Insider Trading Policy, Code of Conduct* and any other relevant policies associated with ensuring an effective system of corporate governance.

**c) Board Composition**

The Committee shall review with the Board on an annual basis the current composition of the Board of Directors as a whole with a view to ensuring that the members of the Board have the independence, expertise, experience, personal qualities and ability to make the necessary time commitment to the Corporation in light of the opportunities and risks facing the Corporation.<sup>8</sup>

**d) Nominations to the Board of Directors**

The Committee shall identify individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and to recommend to the Board the nominees to stand for election at the Corporation's annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. In case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill each such vacancy either through appointment by the Board or through election by shareholders. In recommending candidates, the Committee shall take into consideration the criteria approved by the Board, including any set forth in the Board's Corporate Governance Guidelines, and such other factors as it deems appropriate. These factors shall include judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members, willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Corporation's business, and the extent to which a candidate would be a desirable addition to the Board or any committees of the Board.<sup>9</sup> The Committee shall consider any candidates proposed by management.

**e) Committee Memberships**

The Committee shall, after consultations with the Chairman of the Board, and giving consideration to the suggestions of Board members, recommend to the Board the names of directors to serve as members of the Audit Committee, Compensation Committee and such other committees as may exist from time to time, as well as the Committee itself. In addition, the Committee shall recommend to the Board a member of each of the aforementioned committees to serve as Chairman. The Committee shall identify names of directors to fill vacancies on committees. In nominating a candidate for committee membership, the Committee shall consider the criteria approved by the Board in its Corporate Governance Guidelines, if any, and particular factors, if any, set forth in the Mandate of the applicable committee.

**f) Effectiveness of the Board**

The Committee shall be responsible for developing and implementing a program for assessing the effectiveness of the individual directors, the Board and its committees, including considering the experience and expertise of members against the needs of each committee and the Board. The

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<sup>8</sup> NP 58-201, s. 3.12 (A), s. 3.14(a).

<sup>9</sup> NP 58-201, s. 3.13.

Committee shall conduct an annual evaluation of the Board's effectiveness and shall report the results of the evaluation to the Board.

**g) Orientation and Education**

The Committee shall cause to be provided an orientation and education program to new Board members and, as it deems necessary, provide continuing education to existing Board Members.<sup>10</sup>

**h) Succession Planning**

The Committee shall monitor the development of management's succession plan for the CEO and other senior management and periodically report to the Board with recommendations on succession planning issues.<sup>11</sup>

**i) Code of Conduct Compliance and Waivers**

The Committee shall be responsible for overseeing the implementation of a compliance program for the Code to ensure that all directors, officers and employees are made aware of it and comply with it.<sup>12</sup> The Committee shall review with management from time to time the enforcement of the Code. All amendments, modifications or waivers with respect to the Code shall be approved by the Committee and reported to, or approved by, if appropriate, the Board. The Committee shall oversee the disclosure of any waivers as required by law or NP 58-201 - Corporate Governance Guidelines.<sup>13</sup>

**j) Other duties and responsibilities:**

- i. Perform any other duties or responsibilities delegated to the Committee by the Board from time to time;
- ii. The Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed changes to the Board for approval;
- iii. The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its Members, including reviewing the compliance of the Committee with this Mandate; and
- iv. The Committee may delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

**Limitation on the Oversight Role of the Committee**

Nothing in this Mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such persons or organizations.

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<sup>10</sup> NP 58-201, s. 3.6 and s. 3.7.

<sup>11</sup> NP 58-201, s. 3.4(d).

<sup>12</sup> NP 58-201, s. 3.9.

<sup>13</sup> NP 58-201, s. 3.9.

**5. COMMUNICATION WITH THE DIRECTORS**

- a)** The Committee shall produce and provide the Directors with a written summary of all actions taken at each Committee meeting or by written resolution.
- b)** The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.
- c)** The Committee shall report periodically, but no less than once annually, to the Board and shall submit to the Board the minutes of its meetings.