

## THE NORTH WEST COMPANY INC.

### GOVERNANCE AND NOMINATING COMMITTEE MANDATE

The Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of The North West Company Inc. (“North West”) has the oversight, responsibility and specific duties described below.

#### 1. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) the development and implementation of principles and systems for the management of corporate governance;
- (b) identifying qualified candidates and recommending nominees for Director and Board Committee appointments;
- (c) evaluations of the Board, Board Committees, all individual Directors, the Board Chairperson and Committee Chairpersons; and
- (d) the compensation, orientation and education for all Directors;

all with a view to ensuring North West is implementing effective corporate governance practices relevant to an organization of North West’s size and complexity, and which will create and enhance long-term shareholder value.

#### 2. Committee Composition

- (a) The Committee will be comprised of at least three Directors. All Committee members will be independent Directors (within the meaning of National Instrument 58-101 Disclosure of Corporate Governance Practice). Any Committee member who, for any reason, is no longer independent immediately ceases to be a Committee member.
- (b) All Committee members will have a working familiarity with corporate governance practices.
- (c) Committee members will be appointed and removed by the Board. The Committee Chairperson will be appointed by the Board.

#### 3. Reports

The Committee shall report to the Board on a regular basis, including prior to public disclosure by North West of its Management Information Circular, or as required by continuous disclosure legislation on: a) Directors and officers compensation; b) an assessment of the Board’s performance; and c) North West’s systems of governance practices for inclusion in public disclosure documents.

#### 4. Responsibilities

Subject to the powers and duties of the Board, and with the requirement that the Committee provides timely summary reports to the Board on its activities, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

**A. Governance Leadership**

The Committee shall:

- (a) take a leadership role in developing North West's approach to corporate governance;
- (b) take a leadership role in developing and exercising oversight with respect to North West's approach to ESG (environmental, social, governance) and climate change;
- (c) regularly review and assess the performance of North West's corporate governance systems and standards and, in the Committee's discretion, recommend any changes to the Board for consideration;
- (d) establish appropriate structures and processes for the Board so that it can function independently of management; and
- (e) take all reasonable steps to establish systems to verify compliance with all regulatory, corporate governance and disclosure requirements.

**B. Governance Documents**

The Committee shall:

- (a) on a regular basis, as the Committee decides, review North West's Bylaws and other material constating documents of North West, and, in the Committee's discretion, recommend any changes to the Board for consideration;
- (b) on a regular basis, as the Committee decides, review and assess the following mandates policies and position descriptions; and as applicable, receive any comments from the applicable Board committee; and in the Committee's discretion, recommend any changes to the Board for consideration:
  - (i) Corporate Governance Policy;
  - (ii) Board Mandate;
  - (iii) Audit Committee Mandate;
  - (iv) Human Resources, Compensation and Pension Committee Mandate;
  - (v) Governance and Nominating Committee Mandate;
  - (vi) Board Chairperson Position Description; and
  - (vii) CEO Position Description,
- (c) on a regular basis, as the Committee decides, review and assess the following policies; and in the Committee's discretion, recommend any changes to the Board for consideration:

- (i) Whistleblower Policy;
- (ii) Insider Trading Policy;
- (iii) Confidential Information Policy;
- (iv) Disclosure Policy; and
- (v) Business Code of Conduct and Ethics.

**C. Governance Disclosure**

The Committee shall:

- (a) take all reasonable steps to provide that North West's governance practices be fully disclosed in the Management Proxy Circular; and
- (b) take all reasonable steps to provide that North West's governance documents be published on North West's website and are made available to any shareholder on request.

**D. Evaluations**

The Committee shall:

- (a) establish and implement procedures to evaluate the performance and effectiveness of the Board, Board Committees, all individual Directors, the Board Chairperson and Committee Chairpersons, including individual Director independence; and
- (b) monitor the quality of the relationship between management and the Board and individual Directors, and recommend improvements to the Board as necessary.

**E. Director Nominations and Resignations**

The Committee shall:

- (a) on a regular basis, as the Committee decides, assess the size, composition and operation of the Board to ensure effective decision-making and, in the Committee's discretion, make recommendations to the Board for consideration;
- (b) after consulting with the Board Chairperson and individual Directors, annually review and assess the size, composition and Chairpersons of all Board Committees and the Board and, in the Committee's discretion, make recommendations to the Board for consideration;
- (c) periodically review successors for the Board Chairperson and the Board Committee Chairpersons, and in the Committee's discretion, make recommendations to the Board for consideration;

- (d) identify and assess new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder. In order to ensure effective governance and to satisfy applicable law, the Committee shall consider (i) the competencies, skills and attributes the Board, as a whole, should possess, (ii) the competencies, skills and attributes of each existing Director, (iii) the diversity of gender, indigenous heritage, nationality, geography, experience and other attributes possessed by the Board as a whole, and (iv) the performance, independence, competencies, skills, attributes, financial acumen, and the ability to devote sufficient time, for each candidate, and, in the Committee's discretion, make recommendations to the Board for consideration;
- (e) annually review and, in the Committee's discretion, recommend to the Board for consideration the individual Directors proposed to be nominated for election at the next annual general meeting of shareholders, the appointment of such Directors to specific Committees of the Board, and the appointment of Committee Chairpersons;
- (f) on a regular basis, as the Committee decides, review and recommend to the Board for consideration those individual Directors to be designated as independent, and if an individual Director is to be recommended for the appointment to the audit committee, determine if the Director has the appropriate financial expertise under applicable law;
- (g) review and assess North West's policies on tenure of individual Directors, the Board Chairperson and Committee Chairpersons and, in the Committee's discretion, recommend any changes to the Board for consideration;
- (h) review and assess North West's policies on attendance, and review any material change in the status or circumstance of an individual Director which may affect his or her suitability as a Director, and, in the Committee's discretion, make recommendations to the Board for consideration;
- (i) review any Director resignation submitted as a result of a failure to receive a majority vote at the annual general meeting of shareholders, and make a recommendation to the Board for consideration; and
- (j) review the circumstances that prevented a Director from achieving the minimum attendance level and report to the Board.

**F. Compensation**

The Committee shall regularly review the level and form of compensation of North West's Directors, Board Chairperson and Committee Chairpersons, considering peer practices and the duties and responsibilities of such Directors and, in the Committee's discretion, recommend any changes to the Board for consideration;

**G. Risk Management**

The Committee shall:

- (a) ensure an adequate Director and Officer Liability Insurance Policy is in place for North West and its subsidiaries; and

- (b) regularly assess the risk management oversight responsibilities of the Board and each Board Committee as applicable, and recommend any changes to the Board for consideration.

**H. Share Ownership Policies**

The Committee shall periodically review the policy on share ownership for Directors and, in the Committee's discretion, recommend any changes to the Board for consideration.

**I. Director Orientation / Education**

The Committee shall oversee the development, implementation and disclosure of the Director orientation and education programs, including sessions on North West's business from management; and recommended educational opportunities to be made available to individual Directors and paid for by North West.

**J. Conduct Review**

The Committee shall:

- (a) take all reasonable steps to oversee conduct review pursuant to the Business Code of Conduct and Ethics, and make any resulting enquiries the Committee decides is needed;
- (b) with the Board Chairperson, respond to potential conflict of interest situations;
- (c) pre-approve any related party transactions (as defined under International Financial Reporting Standards);
- (d) monitor compliance with the Insider Trading Policy, Disclosure and Confidential Information policies; and
- (e) respond to any Whistleblower incidents as necessary.

**K. Committee Reporting**

The Committee shall:

- (a) following each Committee meeting, report to the Board on the activities, findings and any recommendations of the Committee; and
- (b) annually review and recommend to the Board for approval, with the Human Resources, Compensation, and Pension Committee's recommendations on the Compensation Discussion and Analysis, the Management Proxy Circular.

**5. Structure**

- (a) The Board shall appoint one of the Committee members to act as Chairperson of the Committee.

- (b) The Committee will appoint the Corporate Secretary of North West as secretary of the Committee, who will keep minutes of all meetings. In absence of the Corporate Secretary, the Committee will appoint an acting secretary who will keep minutes of the meeting.
- (c) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than quarterly each year. Meetings will be at the call of the Chairperson or any member of the Committee. The Committee may hold a meeting by telephone conference call.
- (d) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that if the number of members of the Committee is an even number one half of the number of members plus one shall constitute a quorum.
- (e) Any member of the Committee may be removed or replaced at any time by the Board or shall cease to be a member of the Committee as soon as such member ceases to be a Director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders.
- (f) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, unless otherwise provided for in North West's bylaws, or otherwise determined by resolution of the Board.
- (g) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

## **6. Chairperson of the Committee**

The Chairperson of the Committee (the "Chairperson") is responsible for the effective functioning of the Committee.

## **7. Independent Advice**

- (a) In discharging its mandate, the Committee shall have the authority to retain and receive advice from independent legal, accounting, or other advisors at the expense of North West, as required to fulfill its duties, and to set and pay the compensation for such advisors; and
- (b) In consultation with the Board Chairperson, the Committee shall retain, oversee, compensate and terminate, as appropriate, independent advisors to assist any individual Director as necessary.

## **8. Evaluations**

The Committee shall:

- (a) regularly review and assess the adequacy of its Mandate, and recommend any proposed changes to the Board for approval; and

- (b) administer regular performance evaluations, including (i) Board, Director and Chair evaluations, (ii) Director peer review evaluations, and (iii) Director skill self-evaluations, the results of which will be reviewed by the Committee and the Board.

**9. No Rights Created**

This mandate is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this mandate should comply with all applicable laws, regulations and listing requirements and North West's articles and by-laws, this mandate does not create any legally binding obligations on the Committee, the Board or North West.

Approved by the Board of Directors effective September 7, 2022.