

## **HIGH ARCTIC ENERGY SERVICES INC.**

### **GOVERNANCE AND NOMINATING COMMITTEE TERMS OF REFERENCE**

The Board of Directors (the “Board”) of High Arctic Services Inc. (the “Corporation”) has established the Corporate Governance and Nominating Committee of the Board (the “Committee”) and approved these Terms of Reference which set out the roles, composition, meeting requirements, duty of the chair, responsibilities, functions and other matters concerning the Committee.

#### **1. Role**

1. 1 The purpose of the Committee is to identify individuals qualified to become members of the Board of Directors consistent with criteria approved by the Board, to recommend to the Board nominees for election to the Board at each annual meeting of shareholders or to fill vacancies on the Board and to address related matters. The Committee shall also develop and recommend to the Board corporate governance principles applicable to the Corporation and be responsible for leading the annual review of the performance of the Board.

#### **2. Composition**

2. 1 The Committee shall consist of not less than three and not more than six members.
2. 2 Each member of the Committee shall be elected annually from among the members of the Board to hold office for the ensuing year or until their successors are elected. Committee members may be removed at any time by the Board.
2. 3 Each Committee member shall be independent according to the independence standards established by the Board, and all applicable corporate and securities law and stock exchange listing standards.
2. 4 The Board shall appoint the Chair of the Committee and the Secretary of the Corporation shall be the Secretary of the Committee.

#### **3. Meetings**

- 3.1 A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.
- 3.2 The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the duties of the Committee.
- 3.3 The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee. Following a Committee meeting, the Committee Chair shall report on the Committee’s activities to the Board at the next Board meeting. The Committee shall keep and approve minutes of its meetings in which shall be recorded all action taken by it, which minutes shall be available as soon as practicable to the Board.

#### **4. Chair**

- 4.1 The Chair of the Committee shall have the duties and responsibilities set forth in Appendix “A”.

## **5. Responsibilities**

### **Corporate Governance**

- 5.1 The Committee is responsible for all matters relating to the governance of the Corporation and for reporting and making recommendations to the Board regarding such matters. Without limiting the generality of the foregoing, the Committee shall have the following duties:
- a.) Develop and recommend to the Board a set of corporate governance principles applicable to the Corporation;
  - b.) Annually review the corporate governance principles and policies of the Corporation and, as appropriate, recommend changes to such principles and policies to the Board or management;
  - c.) Annually review compliance by the Corporation with all applicable regulatory requirements relating to corporate governance;
  - d.) Review, as appropriate, corporate governance issues, trends and proposed, new or amended regulatory requirements;
  - e.) Review, at least annually, the Committee structure of the Board and the operations (including Committee reporting to the Board and authority to delegate to subcommittees) of such Committees and, as appropriate, recommend to the Board changes to such structure and operations;
  - f.) Advise the Board of Directors with respect to the charters, structure and operations of the various Committees of the Board and qualifications for membership thereon, including policies for removal of members. In consultation with the Chair of the Board and the Chief Executive Officer of the Corporation (“CEO”), the Committee shall also make recommendations to the Board regarding which Directors should serve on the various Committees of the Board of Directors;
  - g.) Review any shareholder proposal received by the Corporation and recommend to the Board the Corporation’s response; and
  - h.) Review proposed annual corporate governance disclosure before submission to the Board for approval.

### **Director Selection and Oversight**

- 5.2 The Committee is responsible for all matters relating to Director recruitment, Director orientation and continuing education, and for the regular evaluation of the Board. Without limiting the generality of the foregoing, the Committee shall have the following duties:
- a) Regarding Director recruitment the Committee should, in the discharge of its duties:
    - i. review each year the composition of the Board and general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way which provides the best mix of skills and experience to guide the long term strategy and ongoing business operations of the Corporation. This review will also take into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, geographic origin, etc. among the Directors, while at the same time maintaining common characteristics such as personal integrity, good judgment, high ethics and standards, outstanding ability in their individual fields of expertise and a willingness to devote necessary time to Board matters;
    - ii. in consultation with the Board and the CEO and, on an ongoing basis, maintain a database of potential candidates. All directors are actively encouraged to identify potential candidates and provide their names and such supporting material as

- appropriate to the Board Chair or Chair of the Corporate Governance and Nominating Committee;
- iii. implement a procedure to identify, with as much advance notice as practicable, impending vacancies on the Board of Directors, so as to allow sufficient time for recruitment and for introduction of proposed nominees to the existing Board of Directors;
  - iv. develop a list of qualified candidates and arrange for each candidate to meet with the Committee, the Chair of the Board and the CEO;
  - v. recommend to the Board of Directors as a whole proposed nominee(s) for the next annual meeting of the shareholders and arrange for their introduction to as many members of the Board as practicable;
  - vi. ensure that prospective candidates are informed of the degree of energy and commitment the Corporation expects of its Directors; and
  - vii. encourage diversity in the composition of the Board of Directors.
- b) Exercise oversight of the policies and processes adopted by it or the Board relating to Director orientation and continuing education.
  - c) Exercise oversight of the processes adopted by the Board of Directors for evaluating (i) the overall performance and workings of the Board of Directors as a whole; (ii) and the performances of individual Directors.
- 5.3 The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.
- 5.4 The Committee may delegate from time to time any of its responsibilities to a subcommittee comprised of one or more members of the Committee.
- 5.5 In the discharge of its duties the Committee has sole authority to retain and terminate any outside advisors. Without limiting the generality of the foregoing, the Committee has sole authority to retain and terminate any search firm used to identify Director candidates, including sole authority to approve the search firm's fees and other retention terms.
- 6. Other**
- 6.1 The Committee shall conduct an evaluation of the Committee's performance and this Corporate Governance and Nominating Committee Charter, including Appendix "A" attached hereto, at least annually, and recommend to the Board of Directors such Committee Charter changes as the Committee deems appropriate.
  - 6.2 Authority to make minor technical amendments to this Committee Charter is hereby delegated to the Secretary of the Corporation, who will report any amendments to the Board of Directors at its next meeting.

**APPENDIX “A”****HIGH ARCTIC ENERGY SERVICES INC.**Corporate Governance and Nominating Committee Chair Position Description

In addition to the duties and responsibilities set out in the Board of Directors Charter and any other applicable charter, mandate or position description, the chair (the “Chair”) of the Corporate Governance and Nominating Committee (the “Committee”) of High Arctic Energy Services Inc. (the “Corporation”) has the duties and responsibilities described below.

1. Provide overall leadership to enhance the effectiveness of the Committee, including:
  - a. overseeing the structure, composition, membership and activities delegated to the Committee;
  - b. chairing every meeting of the Committee and encouraging free and open discussion at meetings of the Committee;
  - c. scheduling and setting the agenda for Committee meetings with input from other Committee members, the Chair of the Board and management as appropriate;
  - d. facilitating the timely, accurate and proper flow of information to and from the Committee;
  - e. arranging for management, internal personnel, external advisors and others to attend and present at Committee meetings as appropriate;
  - f. arranging sufficient time during Committee meetings to fully discuss agenda items;
  - g. encouraging Committee members to ask questions and express viewpoints during meetings; and
  - h. taking all other reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.
2. Foster ethical and responsible decision making by the Committee and its individual members.
3. Encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with internal personnel or external advisors, as needed or appropriate.
4. Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
5. Carry out such other duties as may reasonably be requested by the Board.