

Procedures for the Appointment, Election and Removal of Directors

There are formal, considered and transparent procedures for nominating candidates to stand for election as directors. The process of evaluating the skills and composition of the Board is ongoing and is kept under regular review in order to ensure that appropriate plans for succession to the Board are in place for smooth Board refreshment, and that the Board retains its effectiveness at all times. Directors are subject to re-election/re-appointment at regular intervals.

Appointment and Election of Directors

Election of directors at the annual general meetings – According to the Articles, at every annual general meeting, the shareholders entitled to vote for the election of directors must, by unanimous resolution, elect or appoint, a Board consisting of the number of directors for the time being set under the Articles. All the directors cease to hold office immediately before such election or appointment, but are eligible for re-election or re-appointment. If the shareholders fail to elect or appoint the directors at the annual general meetings, each director then in office continues to hold office until the earlier of: (1) the date on which his or her successor is elected or appointed; and (2) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act (British Columbia)* or the Articles.

Directors may fill casual vacancies and appoint additional directors – Any casual vacancy in the Board may be filled by the Directors. The Directors may also appoint one or more additional directors between the annual general meetings, but the number of additional directors must not at any time exceed one-third of the number of the current Directors.

Shareholders may fill vacancies – The shareholders may elect or appoint Directors to fill any vacancies on the Board if the Company has no directors or fewer directors in office than the number set pursuant to the Articles as quorum of directors.

Nominating committee – The Nominating Committee is mandated to review the size and composition of the Board at least annually, and to identify individuals qualified to become Board members and make recommendations to the Board for the appointment or election of Director nominees.

Information on the director candidates – To enable shareholders to make an informed decision on their election at a general meeting, the names of all candidates submitted for election or re-election as a director together with his/her biographical details as set out in Rule 13.51(2) of the Listing Rules (including other directorships held in listed public companies in the past 3 years and other major appointments) shall be set out in a circular to be sent to shareholders prior to the meeting.

Removal of Directors

Removal of director by shareholders – Shareholders may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

Removal of director by directors – The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.