

APPENDIX 2

NOMINATIONS COMMITTEE TERMS OF REFERENCE

Composition and Resources

The Chair may appoint a Nominations Committee consisting of three Directors, usually one from each Partner.

Meetings and Procedures

The Nominations Committee shall meet as necessary to fulfill its responsibilities, but not less than annually prior to the Annual General Meeting at which appointments are to be made.

A quorum shall be a majority of the Nominations Committee. Meetings may be called by the Chair or a majority of the Nominations Committee and whenever possible seven (7) days notice, in writing, shall be circulated to the members of the Nominations Committee. Whenever possible, an agenda and required reports shall be circulated in advance of the meeting. Minutes of every meeting shall be recorded and circulated to the Board.

Purpose and Authority

The Nominations Committee is authorized to receive nominations and to identify and nominate qualified candidates for all positions on the Board. The Nominations Committee must set forth at least a minimum number of candidates required to fill vacant directorships or directorships becoming vacant. The Nominations Committee is responsible for evaluating candidates to ensure the proposition of high caliber individuals who are familiar with Director's responsibilities and who subscribe to the Board's Code of Conduct (see Appendix 1).

Accountability

The Nominations Committee shall formally report annually to the Board and more often as required on its activities.

Functions and Responsibilities

The Nominations Committee shall:

- Develop criteria for evaluation of candidates including:
 - Consider skills and experience necessary to provide the Board with the best possible combination of capabilities and resources.
 - Ensure equal representation from each of the three Shareholders.
- Receive nominations of potential candidates.
- Actively recruit potential candidates.
- Interview and screen qualified candidates.
- Recommend to the Board qualified candidates to fill vacancies throughout the year.
- Review and recommend to the Board of Directors changes in policy and procedures related to the nomination and approval of Directors.

- Formally report its recommendations to the Board prior to each Annual General Meeting of the Company. (The Board will generally request the Nominating Committee to meet with the shareholders to present the proposed candidates for appointment to the Board.)

Director Selection Process

The Nominations Committee are guided to use the following process for selecting new Directors:

1. The Board is to be comprised of six Directors, two appointed to represent each Shareholder. Each Shareholder may make its own decision as to whether they wish to appoint their Directors from the community or whether they are employed by that Shareholder. In either case, care should be taken to select Directors that will work for the best interests of the CLCCF and their appointment should not place additional legal or financial risk on another Shareholder.
2. Each Partner may also appoint an Alternate Director, who may attend any Board meeting. However, an Alternate Director may only vote or participate in Board discussions if they are taking the place of another Director from their Shareholder organization who is not present at the time. An Alternate Director is to sign the same Declaration as a regular Director.
3. At least annually, review the skills and experience to ensure the board continues to have the required key skills and experience. See “Key Skills & Experience Profile” attached.
4. Assess key skills and experience that is lacking in the current board and necessary to strengthen the existing Board.
5. Gather recommended names of potential Director candidates from existing Directors, management and the Shareholders.
6. Consider placing advertisements in local newspapers to invite potential candidates to apply to become a CLCCF Director.
7. Gather resumes for all potential Director candidates.
8. Review key skills and experience of each candidate and prioritize the best candidates.
9. Interview the candidates that appear to provide the best skills and experience and recommend those candidates to the Board for their review and possible approval.
10. Ensure each candidate interviewed is given a copy of “Expectations & Commitments” (see attachment) of CLCCF Board Members to read, and that they understand and agree to comply with the terms therein.
11. Upon approval by the Board, the recommended candidates shall be presented to the relevant Shareholder for their consideration, including analysis of the reasons and supporting evidence for the nominations, and subsequent appointment to the Board.
12. If any Shareholder decides to withhold one or more of their recommended appointments, the Committee will recommence the selection process until the required number of Directors are appointed.

SKILLS AND EXPERIENCE PROFILE

Appointments to the CLCCF Board of Directors will be guided by the following selection criteria:

Qualifications:

All potential appointees to the CLCCF Board must agree to comply with the provisions related to Director qualifications and conflicts addressed in Appendix 1 of the Corporate Governance Policy concerning the Code of Conduct of Directors.

Personal Attributes:

All directors should possess the following personal attributes:

1. High ethical standards and integrity in professional and personal dealings;
2. Ability and willingness to raise potentially controversial issues in a manner that encourages dialogue;
3. Flexibility, responsiveness and willingness to consider change;
4. Ability and willingness to listen to others;
5. Capability for a wide perspective on issues; and,
6. Ability to work as a team member.

Core Competencies:

All Directors should possess the following core competencies:

1. Well-developed faculty for critical analysis;
2. Basic financial literacy, preferably able to read or learn how to basically understand financial statements and the use of financial performance measures;
3. Thorough knowledge of the responsibilities and duties of a director; and,
4. Ability to distinguish corporate governance from management roles and responsibilities.

KEY SKILLS & EXPERIENCE

It is preferable that the composition of the Board should reflect the diversity of the people within the Partner organizations and represented communities. It is preferable that as a whole, the Board should possess many of the following skills and experience, while individual Directors would preferably possess more than one:

1. Leadership: experience managing operational aspects of a small to medium commercial or non-profit entity.
2. Business: experience in operating a business in British Columbia.
3. Board Experience: previous experience as a member of a Board of Directors of a commercial or non-profit entity.
4. Accounting and Finance: accounting and financial expertise.
5. Legal: a legal background or experience in managing legal issues of a commercial nature.
6. Forestry: knowledge and experience in addressing forestry issues in BC, including environmental and safety issues.
7. Communications: experience in developing and/or leading communications programs.
8. Regulatory: experience working in or significant knowledge of the issues associated with, a

commercial entity regulated by statute.

9. Community and Aboriginal Relations: experience in leading consultation processes with local governments and/or aboriginal interests in BC.
10. Non-timber Resource Knowledge: experience and knowledge of non-timber resource activities such as forest recreation, bio-diversity and environmental sustainability.

EXPECTATIONS & COMMITMENTS

1. Directors are required, at all times, to act in the best interests of CLCCF.
2. Directors must bring some needed expertise to the Board.
3. Directors are expected to listen to and respect the thoughts of other Board members.
4. Directors must respect the decisions/conclusions of the majority.
5. Directors must:
 - a. Be supportive of logging and other forestry activities;
 - b. Have an interest in both the timber and non-timber activities of the community forest;
 - c. Support the use of the community forest for educational and recreational uses;
 - d. Be committed to promoting innovative, value-added opportunities of the community forest in the local community;
 - e. Be interested in expanding the benefits provided by the community forest to the local community.
6. Directors are expected to attend all Board meetings. Missing three meetings in a twelve month period is grounds for removal by the board.

Refer to Appendix 1: CODE OF CONDUCT FOR DIRECTORS, OFFICERS, EMPLOYEES AND VOLUNTEERS.