

THE VALENS COMPANY INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

1. Organization

The Nominating and Corporate Governance Committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of The Valens Company Inc. (the “**Company**”). The Committee’s purpose is to carry out the responsibilities delegated by the Board relating to the nomination of members of the Board and certain other governance matters. This Charter shall govern the operations of the Committee.

2. Membership and Qualifications

- (a) The Committee will consist of at least three directors.
- (b) All members of the Committee will meet the criteria for independence established by applicable laws and the rules of any stock exchanges upon which the Company’s securities are listed, including section 1.4 of National Instrument 52-110 – *Audit Committees*. All members of the Committee will have a working familiarity with human resources and compensation matters and at least one member must have direct experience in executive compensation matters.
- (c) The Board shall appoint members of the Committee. The members of the Committee shall be appointed for one-year terms or such other terms as the Board may determine and shall serve until a successor is duly appointed by the Board or until the member’s earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all of the Committee’s powers so long as a quorum exists.
- (d) A quorum for decisions of the Committee shall be a majority of Committee members.
- (e) The Board shall appoint one member of the Committee as chair (the “**Chair**”). Subject to Section 2(b), the Board shall determine the Chair’s term of office. The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments, preparing minutes and reporting to the Board. The Chair shall also maintain regular liaison with the Company’s Chief Executive Officer (the “**CEO**”), if the Chair and the CEO are not the same person. The position description and responsibilities of the Chair are set out in

3. Purpose

The primary purpose of the Committee is to:

- (a) identify individuals qualified to become Board members;
- (b) recommend director nominees for each annual meeting of the Company’s shareholders and director nominees to fill any vacancies that may occur between meetings of shareholders;
- (c) be aware of the best practices in corporate governance, including matters of health, safety, environmental stewardship and social impacts, and develop and recommend to the Board a set of corporate governance standards to govern the Board, its committees, the Company and its employees in the conduct of the business and affairs of the Company;
- (d) consider the diversity of the Board, including the level of representation of women and other designated groups;
- (e) develop and maintain a skills matrix for the Board;
- (f) review and set the compensation for the Board; and

(g) develop and oversee the annual Board and Board Committee evaluation process.

4. Authority

The Committee has the power and authority to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary or appropriate to carry out its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Committee, for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

5. Duties and Responsibilities

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- (a) make recommendations to the Board regarding the size and composition of the Board,
- (b) consider and recruit candidates for director nominees based upon recommendations from current outside directors, members of management, outside consultants or search firms, and/or shareholders. The criteria for selecting new directors shall reflect the requirements of the listing standards of Toronto Stock Exchange (or such other exchange or self-regulatory organization on which the Company's shares are then listed for trading) with respect to independence (including past officer roles and number of years since serving in such roles) and the following factors:
 - (i) the appropriate size of the Company's Board;
 - (ii) the competencies and skills that the Board considers to be necessary for the Board as a whole to possess;
 - (iii) the competencies and skills that the Board considers each existing director to possess;
 - (iv) the competencies and skills each new nominee will bring to the boardroom;
 - (v) the personal and professional integrity of the candidate;
 - (vi) the level of education and/or business experience;
 - (vii) broad-based business acumen;
 - (viii) the level of understanding of the Company's business and the industry in which it operates and other industries relevant to the Company's business;
 - (ix) the nominee's ability and willingness to commit adequate time to Board and committee matters;
 - (x) the fit of the individual's skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to the needs of the Company;
 - (xi) the nominee's strategic thinking and a willingness to share ideas; and
 - (xii) the diversity of the Board composition, including diversity of experiences, expertise and background, and the level of representation of women and other designated groups.

The Committee will use these criteria to evaluate potential nominees and will not evaluate proposed nominees differently depending upon who has made the recommendation;

- (c) consider proposed nominees whose names are submitted to it by shareholders in accordance with the procedures set forth in the Company's bylaws;

- (d) recommend on an annual basis a slate of director nominees for approval by the Board and the shareholders;
- (e) review the appropriate committee structure of the Board and recommend to the Board for its approval directors to serve as members of each committee. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed;
- (f) review at least annually, the Company's corporate governance guidelines and recommend changes to the Board as deemed necessary;
- (g) review the governance disclosure included in the Company's proxy circular;
- (h) review at least annually the Company's principal corporate policies and recommend updates or amendments for consideration by the Board;
- (i) generally advise the Board on emerging corporate governance matters, including matters of health, safety, environmental stewardship and social impacts, for incorporation into the Company's policies and procedures;
- (j) develop, implement and administer an annual Board and Board Committee evaluation process;
- (k) perform any other activities consistent with this Charter, the Company's Articles and governing law as the Committee or the Board deem appropriate;
- (l) undergo an annual review of the performance of the Committee pursuant to the process established as set forth above;
- (m) oversee the development and provision of comprehensive orientation for all new directors to, among other things, fully understand the role of the Board and its committees, the contribution individual directors are expected to make, and the nature and operation of the Company's business;
- (n) oversee the development and provision of continuing education opportunities for all directors so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current;
- (o) where appropriate, retain (without need for further Board approval) and consult with such independent advisors as the Committee may deem necessary or appropriate in connection with fulfilling the responsibilities and duties of the Committee.

6. Structure and Operations

- (a) The Committee shall meet as often as its members deem necessary to perform the Committee's duties and responsibilities and, in any case, at least once a year, at such time and place as it determines. The Committee shall report regularly to the Board regarding its actions and any issues that may arise in the course of the discharge by the Committee of its responsibilities and duties under this Charter and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), resolutions in writing in lieu of a meeting, notice, waiver of notice and voting requirements as are applicable to the Board.
- (b) A meeting of the Committee may be convened by the Board or any member of the Committee who requests a meeting. Notice of every meeting shall be given to each member of the Committee.
- (c) The Committee may invite such directors, officers and employees of the Company to its meetings as it deems appropriate to assist the Committee with the fulfillment of its duties and responsibilities. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their performance is discussed.

- (d) At each meeting, the Committee may appoint an individual to act as secretary for the meeting (the “**Secretary**”). If appointed, the Secretary shall circulate the minutes of meetings of the Committee to members of the Committee.
- (e) The Committee shall approve and retain minutes of all Committee meetings. The powers of the Committee may be exercised by written resolution signed by all of the members of the Committee.
- (f) The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

7. Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

8. Performance Evaluation

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

9. Access to Information

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by members of the Committee.

10. No Rights Created

This Charter is a broad policy statement and is intended to be part of the Committee’s flexible governance framework. While the Charter should comply with all applicable laws, regulations and listing requirements and the Company’s articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company. The terms of this Charter are not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may, from time to time, and to the extent permitted by applicable law, permit departures from the terms of this Charter, either prospectively or retrospectively.