

# Nominating and Corporate Governance Committee

## Terms of Reference

The board of directors (the “**Board**”) of Enerflex Ltd. (the “**Corporation**”) has established a Nominating and Corporate Governance Committee of the Board (the “**Committee**”), which shall consist of at least three independent directors. Members of the Committee shall be considered independent if they meet the test of independence contained in applicable securities legislation and the rules of any stock exchange on which securities of the Corporation are listed and posted for trading.

The principal responsibilities of the Committee are reviewing and making recommendations as to all matters relating to effective corporate governance in order to assist the Board in carrying out its responsibilities. The Committee is also responsible for assisting the Board in fulfilling its responsibility to oversee the Corporation’s environmental, social, and governance (“**ESG**”) initiatives, goals, and public disclosures.

The mandate of the Committee is as follows:

- periodically consider the effectiveness of the Board, as a whole, the committees of the Board, and the contributions of individual directors;
- review and consider the appropriate size of the Board and its composition, including the ratio of independent and non-independent directors;
- review the competencies, skills and diversity (including but not limited to business experience, geography, age, gender, and ethnicity) that are necessary for the Board, as a whole, to possess and compare that to the existing skills, competencies, and diversity on the Board;
- recommend the appropriate balance of expertise among Board members, seek out qualified, diverse candidates to fill Board positions, and aid in attracting qualified candidates to the Board;
- recommend to the Board the nominees to fill vacancies on the Board or to be proposed by the Board as candidates for election as directors at the annual meeting of the shareholders;
- receive and consider recommendations for new Board candidates from individual directors or from the Board at large;
- interview and assess the qualifications (including competencies and skills) of prospective Board candidates, on a merit based system having regard to the benefits of diversity and the needs of the Board, and report and make a recommendation to the Board as to the suitability of each candidate;
- oversee the training and orientation of new directors (under the *Orientation and Continuing Education Policy*) and the continuing education of current directors (under the *Director Education Policy*);
- review directors' relationships with other outside entities with regard to potential conflicts of interest and interlocking board positions;
- consider and recommend directors' compensation, including any incentive award grants, to the Board;
- review the directors and officers insurance policy and recommend appropriate coverage levels;
- review the mandate of the Board and the terms of reference of each committee of the Board (being this Committee, the Audit Committee, and the Human Resources and Compensation Committee) and the position descriptions of the Chairs of each committee of the Board and recommend to the Board any

changes to the same it believes are appropriate and to recommend to the Board any additional committees as appropriate;

- review the relationship between management and the Board and make recommendations with respect to such relationship when and where it is deemed appropriate;
- ensure that any issues relating to ESG that are identified by directors are raised with management;
- oversee the Corporation's corporate governance strategies, policies, and practices, including but not limited to the *Code of Conduct*, the *Respectful Workplace Policy*, the *Insider Trading Policy*, and *Majority Vote Policy for Director Elections*, and review compliance with applicable corporate governance laws, regulations, and best practices;
- in conjunction with the Human Resources and Compensation Committee (the "**HRCC**"), review the *Share Ownership Guidelines* and *Diversity Policy*; the Committee shall monitor compliance with such policies with respect to directors, and the HRCC shall monitor compliance with such policies with respect to the officers and employees of the Corporation;
- oversee the Corporation's environmental strategies, policies, and practices, and review compliance with applicable environmental laws and regulations;
- oversee the Corporation's social strategies, policies, and practices, including but not limited to the *Anti-Bribery and Anti-Corruption Policy*, the *Sanctions Policy*, the *Employee Privacy Policy*, the *External Privacy Policy*, the *Modern Slavery and Human Trafficking Policy*, and the *Conflict Minerals Policy*, and review compliance with applicable laws, regulations, and best practices;
- provide oversight on the social media practices of the Corporation through the *Social Media Policy*;
- review and present to the Board for approval the Corporation's ESG reporting, including regarding climate-related risks and opportunities, in the annual Management Information Circular, the Annual Information Form, the Corporation's annual ESG performance summary table, and other ESG reporting; and
- provide oversight on the adoption of any additional ESG performance metrics, goals, and disclosures.

It is acknowledged that there may be, from time to time, the need for the Committee to retain the services of outside advisors and/or consultants to assist it in completion of its responsibilities. The Committee, with the final approval of the Chair of the Committee, is authorized to negotiate the terms, including fees, associated with any such engagement at the expense of the Corporation and to authorize the payment of such fees.

The Committee shall review these terms of reference at least annually or, where circumstances warrant, at such shorter intervals as is necessary, to determine if further additions, deletions, or other amendments are required.