

# **DELTIC TIMBER CORPORATION**

## **Nominating and Corporate Governance Committee Charter**

### **Purpose**

The Nominating and Corporate Governance Committee (the “Committee”) is created by the Board of Directors (the “Board”) of the Company to:

- identify individuals qualified to become Board members, and recommend to the Board director nominees for election at the next annual or special meeting of stockholders at which directors are to be elected, or to fill any vacancies or newly created directorships that may occur between such meetings;
- recommend directors for appointment to Board committees;
- oversee the evaluation of the Board, its committees and its members;
- consider and act regarding the annual retainer, Board and Committee meeting fees, retainers for the non-employee Chairman of the Board and Board Committee Chairs, and other elements of cash compensation for the Company’s non-employee directors;
- make recommendations to the Executive Compensation Committee (which is empowered to grant equity-based compensation awards under the Company’s 2002 Stock Incentive Plan) regarding any long-term incentive or other equity-based component of compensation for the Company’s non-employee directors; and,
- review, update and suggest changes to the Board to the Corporate Governance Guidelines and Code of Business Conduct and Ethics for the Company and oversee compliance with such guidelines and code.

### **Membership**

The Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the New York Stock Exchange. The Board shall select members for appointment to the Committee at its annual organizational meeting and as vacancies or newly created positions occur. Committee members may be removed by the Board at any time. The Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Committee.

## Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters:

### *Board/Committee Nominees*

- The Committee shall oversee searches for and identify qualified individuals for membership on the Company's Board, which shall include the evaluation of candidates for nomination for director that may be submitted by stockholders in compliance with applicable provisions of the Company's Bylaws. Following its determination that candidates submitted by stockholders meet the Bylaws' requirements, the Committee shall evaluate such candidates in the same manner as other candidates, without additional criteria being applied.
- The Committee shall recommend to the Board criteria for Board and Board committee membership, and shall recommend individuals for membership on the Board and its committees. In making its recommendations for Board and committee membership, the Committee shall:
  - review candidates' qualifications for membership on the Board or a committee of the Board (including consideration of any Board determination as to the independence of such candidate and where no determination has been made, review of applicable criteria and considerations adopted by the Board for independence determinations, and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or New York Stock Exchange rules for Audit Committee membership purposes);
  - in evaluating current directors for re-nomination to the Board or re-appointment to any Board committees, assess the performance of such directors, including the director's core competency, independence as determined by the Board, compliance with the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics, and the level of commitment evidenced by the director in discharging his or her duties and responsibilities;
  - periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Company, and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background, and experience; and
  - consider any other factors that are set forth in the Company's Corporate Governance Guidelines or are deemed appropriate by the Committee or the Board.

- Criteria used by the Committee in its evaluation of candidates for membership on the Board and Board committees that have been approved by the Board as of date of adoption of this Charter are that the candidates:
  - shall have the highest personal and professional ethics, integrity, and values;
  - shall have diverse experience at policy making levels in business areas that are relevant to the Company's activities; and,
  - shall have evidenced in their personal and professional affairs proper judgement, independence, business acumen, and an understanding of the Company's or related industries.

*Evaluating the Board, Its Committees, and Its Members*

- At least annually, the Committee shall lead the Board in a self-evaluation to determine whether it, its committees, and each of its members are functioning effectively. The Committee shall oversee the evaluation process and report on such process and the results of the evaluations, including any recommendations for proposed changes to the Board.
- The Committee shall periodically review the size and responsibilities of the Board and its committees and recommend any proposed changes to the Board.

*Corporate Governance Matters*

- The Committee shall review and recommend to the Board updates or changes to the Corporate Governance Guidelines and Code of Business Conduct and Ethics for the Company.
- Upon notice that a director (including the President & Chief Executive Officer) has been invited to serve on another corporate or not-for-profit/tax exempt board or a government or advisory group, the Committee shall evaluate the appropriateness of continued membership on the Company's Board, and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.
- Upon notice from a director (including the President and Chief Executive Officer and any other inside director) of retirement and other significant changes in or to professional roles and responsibilities, the Committee shall evaluate the appropriateness of continued membership on the Company's Board in light of the new circumstances, and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.
- The Committee shall oversee compliance with the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics and report on such compliance to the Board. The Committee shall also review and consider any requests for waivers from provisions of the Company's Corporate Governance Guidelines or Code of Business

Conduct and Ethics by the Company's directors, executive officers and other senior financial management, and shall make a recommendation to the Board with respect to such request for a waiver. Should any waiver be granted, the Committee shall direct that a report of such shall be promptly posted on the Company's website, [www.deltic.com](http://www.deltic.com), and disclosed by a timely filing with the SEC of a current report on Form 8-K.

- The Committee shall review potential conflicts of interest involving directors and shall determine whether such director or directors may vote on any issue as to which there may be a conflict.
- The Committee shall review all related party transactions and determine whether such transactions are appropriate for the Company to undertake. If so, the Committee is authorized to approve such transactions. Provided however, that in the context of bids or advertised timber sales, Committee pre-approval is not required so long as at least three bids are received by the Seller of the timber.
- The Committee shall be responsible for any tasks assigned to it in the Company's Corporate Governance Guidelines.

#### *Reporting to the Board*

- The Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Board or committee nominees or membership, Board performance, corporate governance, or any other matters that the Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

#### **Authority**

The Committee has the sole authority to retain and terminate any search firm assisting the Committee in identifying director candidates, including sole authority to approve all such search firm's fees and other retention terms, and also to retain such other advisors, including outside legal counsel, as it may deem appropriate.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.

## **Procedures**

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.