

Terms of Reference for the Governance Committee

I. Purposes

- A. The purpose of the Governance Committee (the "Committee") is to provide a focus on Board governance that will enhance corporate performance, to assess and make recommendations regarding Board effectiveness, and to establish a process for identifying, recruiting and re-commending candidates for membership on the Board.
- B. For the purposes hereof, "Executive Management" means all members of the Executive of the Corporation and such other officers of subsidiaries of the Corporation as may be designated by the Board.

II. Composition and Terms of Office

- A. Following each annual meeting of shareholders of the Corporation, the Board shall appoint not less than three members to the Committee. Each member of the Committee shall be independent.¹
- B. The Committee Chair shall be appointed by the Board.
- C. The Committee Chair shall:
 - (i) provide leadership to the Committee by reinforcing and monitoring the achievement of the Committee's objectives;
 - (ii) coordinate the agenda, information packages and related events for committee meetings with the appropriate members of management; and
 - (iii) chair Committee meetings.
- D. Any Committee member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation.

¹ A director is **independent** if he or she would be independent for the purposes of (i) Canadian Securities Administrators National Instrument 58-101 *Disclosure Corporate Governance Practices*; and (ii) any other applicable legislation or policy.

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Each member shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member resigns or is replaced, whichever first occurs.

- E. The Committee shall meet at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any member.
- F. A quorum for the transaction of business at all meetings of the Committee shall be a majority of the authorized number of members. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the Chair shall have a second casting vote.
- G. The Committee may invite such directors, officers and employees of the Corporation as it may see fit from time to time to attend meetings and assist in the discussion and consideration of the business of the Committee, but without voting rights.
- H. The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require.
- I. The Committee shall choose as its Secretary such person as it deems appropriate.
- J. The Committee shall meet in camera, without management present, at the end of each regularly scheduled Committee meeting.

III. Duties and Responsibilities

The Committee shall:

- A. Annually develop and update a long term plan for the composition of the Board that takes into consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of the Corporation.

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- B. In consultation with the Chair of the Board and the CEO, recommend to the Board nominees for election and re-election as members of the Board of the Corporation. In making such recommendations, the Committee shall consider:
 - (i) the competencies and skills that the Committee considers to be necessary for the Board, as a whole, to possess;
 - (ii) the competencies and skills that the Committee considers each existing director to possess; and
 - (iii) the competencies and skills each new nominee will bring to the Board.
- C. Review, monitor and make recommendations regarding new director orientation and the ongoing development of existing Board members.
- D. Develop and monitor the Corporation's overall approach to corporate governance issues and, subject to approval by the Board, implement and administer the system.
- E. Advise the Board or any of the committees of the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any such committees.
- F. Assess the independence and qualifications of the members of each of the committees of the Board as required by applicable law and make recommendations to the Board regarding the composition of such committees.
- G. Review with the Board, on a regular basis, but not less than annually, the role of the Board, the terms of reference for each of the committees of the Board, the Chair, a director and the CEO.
- H. Review with the Board, on a regular basis, the methods and processes by which the Board fulfills its duties and responsibilities, including without limitation:
 - (i) the size of the Board;

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- (ii) the number and content of meetings;
 - (iii) the annual schedule of issues to be presented to the Board at its meetings and those of its committees;
 - (iv) material which is to be provided to the directors generally and with respect to meetings of the Board or its committees;
 - (v) resources available to the directors; and
 - (vi) the communication process between the Board and management.
- I. Make recommendations to the Board regarding changes or revisions to the Board Manual.
 - J. Establish and administer a process (including a review by the full Board and discussion with management) for evaluating the effectiveness of the Board as a whole, the committees of the Board and each individual director.
 - K. Monitor compliance by Executive Management with the Corporation's Code of Corporate Ethics and Behaviour, including reviewing with legal counsel the adequacy and effectiveness of the Corporation's procedures to ensure proper compliance. The Committee shall also recommend amendments to the Corporation's Code of Corporate Ethics and Behaviour to the Board, as the Committee deems appropriate.
 - M. Prepare recommendations for the Board regarding any reports or disclosure required or recommended on corporate governance.
 - N. Have such other powers and duties as delegated to it by the Board.

IV. Accountability

- A. The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.

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- B. The Committee may retain and compensate such outside advisors as may be necessary to assist the Committee in fulfilling its responsibilities and the Corporation shall provide sufficient funding for this purpose.

- C. The Committee is authorized to request the presence at any meeting, but without voting rights, of a representative from the external advisors, senior management, legal counsel or anyone else it considers to be able contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Committee, including directors, officers and employees of the Corporation.

V. Committee Timetable

- A. The timetables on the following pages outline the Committee's schedule of activities during the year.