



## **CORPORATE GOVERNANCE COMMITTEE**

### **STRUCTURE AND AUTHORITY**

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The Corporate Governance Committee (the Committee) is a Committee of the Board of Directors (the Board) of the Corporation and will comprise of three directors, all of whom will be independent (National Instrument 58-101). The members' terms of appointment should coincide with the terms of appointment of other Board Committees and provide for continuity of membership while, at the same time, allowing fresh perspectives to be added.

The Committee will meet at least twice per year or more often as circumstances require or at the request of any member of the Committee. The full Board will be kept informed of all Committee's activities by a report following each Committee meeting.

The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its duties and similarly the same authority on behalf and at the request of any individual director.

### **MANDATE**

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The development and maintenance of a knowledge base of evolving governance policies and practices as appropriate for the Corporation in the context of it having a significant controlling shareholder. The monitoring of Board performance and compliance with those policies and practice to ensure that the Corporation is at the leading edge of accepted best practice. Inherent therein is the necessary performance evaluations of the Board as a whole and its individual members in order to maintain the Board at numerical and competency levels consistent with the Corporation's current and potential future needs.

### **RESPONSIBILITIES**

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With respect to corporate governance and compliance-related matters, the responsibilities of the Committee include the following:

- developing the Corporation's approach to governance issues;
- overseeing corporate governance issues as they apply to the Corporation, including the preparation of an annual evaluation of the overall performance of the Board, orientation and education of Board members, and monitoring the working relationship between the Board and Management of the Corporation;

- annually reviewing a letter from management regarding compliance with laws and regulations in each of the jurisdictions in which the Corporation operates;
- reviewing the Corporation's code of conduct and compliance therewith;
- monitoring developments and changes in the law relating to the responsibilities and liabilities of directors;
- monitoring and reviewing the extent to which the Board is meeting its obligations;
- ensuring the qualifications of the directors required by the Corporation and/or the Board are maintained;
- reviewing the mandates of the Board and its committees and recommending changes where/when appropriate;
- defining and recommending to the Board the role of the Board and the general division of duties between the Board and the Chief Executive Officer, and in conjunction with the Human Resources and Compensation Committee defining the Chief Executive Officer's responsibilities and compensation;
- developing and recommending, where appropriate, policies, programs and initiatives to ensure that the Corporation carries on business in a socially responsible way in the best interests of its shareholders, employees, and the communities and countries in which it operates;
- monitoring and making recommendations regarding the effectiveness of the Corporation's system of corporate governance, including an overview of such things as environmental controls, occupational health and safety and the selection and use of outside counsel, conflicts of interest and related party transactions;
- reviewing corporate governance disclosure before the Corporation publicly discloses this information; and
- recommending to the Board individuals for membership on Board committees.

The Committee also has oversight responsibility for:

- the implementation of and compliance with the Corporation's stated core values, and the ethical and social conduct of the Corporation worldwide;
- receiving and considering any significant concerns of individual directors, to bring to the attention of the Board, or any Board committee, matters which should be considered by the Board or such committee;
- reviewing the role of the Board, its committees and the methods and processes by which the Board fulfills its duties and responsibilities, and annually reviewing the laws, rules, policies and regulations of applicable securities commissions, stock exchanges and others to ensure that the Corporation, its directors and officers are in full compliance with those rules, policies and regulations.

- Conducting regular assessments of the Board, its Committees and each individual Director regarding his, her or its effectiveness and contribution, taking into account in the case of the Board or a Board Committee, its mandate, and in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.
- Review the credentials of nominees for re-election as members of the Board and consider each nominee's continued qualification as a Director under applicable laws, and the continued validity of the credentials underlying the appointment of each Director, and the changing needs of the Corporation.
- With respect to nomination of the Directors, the responsibilities of the Committee include the following:
  - a) Identifying individuals qualified to become new Board members;
  - b) In making its recommendations, considering:
    - (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
    - (ii) the competencies and skills that the Board considers an existing Director to possess;
    - (iii) the competencies and skills each new nominee will bring to the boardroom; and
    - (iv) whether or not each new nominee can devote sufficient time and resource to his or her duties as a Board member.
- Nominations for the Board will be selected on the basis of individual attributes and skills, including business judgment, integrity, reputation, business or professional activity and experience, knowledge of local, national and international issues and residency.
- With respect to orientation and continuing education of Directors, the responsibilities of the Committee include:
  - a) ensuring that new Board members receive an orientation and are provided with reports to the Corporation's business, including among other things, historical information about the Corporation and its performance, a copy of the current strategic plan for the Corporation and each of its businesses, summaries of recent Board meetings and its committees, and a Director's information manual; and
  - b) ensuring all Directors have continuing education opportunities, including the opportunity to visit plant sites, in conjunction with Board meetings or otherwise, to give the Directors additional insights into the Corporation's affairs.