

## CHARTER OF THE GOVERNANCE COMMITTEE

### 1. Purpose

The Governance Committee is responsible for performing the duties delegated to it by the Board of Directors to enable the Board to fulfill its responsibilities in relation to:

- a) maintaining and enhancing the Company's corporate governance practices;
- b) identifying and recommending to the Board, selection criteria and qualified individuals in respect of the composition of the Board and its committees;
- c) assessing the performance of the Board, individual members of the Board, committees and the Chair of the Board; and
- d) overseeing risk management activities of the Company.

### 2. Roles and Responsibilities

The Governance Committee shall monitor, review and develop policies in respect to the corporate governance practices of the Company and to recommend and take other action as appropriate in fulfilling its purpose, including:

#### I. *Corporate Governance*

- a) recommend and report to the Board on corporate governance issues, principles and guidelines for review, discussion, approval or other action by the Board;
- b) review the Company's governance disclosure as may be required by relevant regulatory authorities or stock exchanges;
- c) monitor best governance practices and annually review the Company's governance practices with a view to maintaining high standards of corporate governance;
- d) ensure that any issues of corporate governance identified by Board members are raised to management of the Company;
- e) review the Company's structures and procedures to ensure that the Board is able to and in fact is, functioning independently of management;
- f) oversee the Company's lobbying policies and activities, political donations, and industry or trade association memberships;
- g) review, approve and oversee any transactions in which a director or executive officer has a material interest;
- h) review and approve any material related party transactions prior to the transaction occurring, and maintain oversight over material related party transactions;

## **II. *Boards and Committees***

- a) review at least annually, the size, composition and profile of the members of the Board and identify and recommend to the Board, appropriate selection criteria for selecting new directors which relate to experience, integrity, competence, skills, knowledge, diversity and dedication;
- b) identify and recommend, to the Board, qualified individuals for election or appointment to the Board;
- c) consider and recommend candidates to act as Chair of the Board, for approval by the Board of Directors;
- d) recommend members for appointment to committees taking into account the needs of individual committees, committee and board succession planning and opportunities and risks facing the Company;
- e) review and recommend changes in the size, composition and charters of the committees of the Board;
- f) satisfy itself that there is a satisfactory orientation program for new directors and committee members;
- g) provide continuing education opportunities for all directors;
- h) review, from time to time, events or matters that could trigger the resignation or retirement of Board members such as, age, material changes in principal occupation, consistently poor attendance, poor performance and other relevant circumstances;
- i) review Board Diversity policy effectiveness and progress towards target(s) and recommend changes as applicable.

## **III. *Operation of Board***

- a) monitor the quality of the relationship between management and the Board and recommend improvements as deemed necessary or desirable;
- b) provide oversight with respect to the processes adopted for the preparation and articulation of the Company's strategic plan;
- c) review any surveys completed by directors dealing with the operational effectiveness of the Board;
- d) assess the availability, relevance and timeliness of information required by the Board;

## **IV. *Assessment***

- a) develop and recommend to the Board, a process for assessing the performance and operation of the Board and its committees, the Chair of the Board and each committee as well as for individual Board members;
- b) review annually the performance and contribution of individual Board members, including an evaluation of the competencies and skills the Board as a whole should possess;
- c) oversee the implementation of assessment processes and report the results and findings of assessments to the Board;

## ***V. Director Compensation and Shareholder Alignment***

- a) conduct a bi-annual review of directors' compensation for Board and committee service taking into account such criteria as time commitment, compensation provided by comparative companies, responsibilities, and recommend any changes for Board approval;
- b) monitor compliance with the share ownership policy for directors;
- c) consider and recommend to the Board, share ownership targets for directors;
- d) administer the Deferred Share Unit Plan for non-employee directors;
- e) oversee management's preparations for the Company's Annual General Meeting of Shareholders; and

## ***VI. Risk Monitoring and Policies***

The Governance Committee shall monitor and review periodically the enterprise risk register to be satisfied that (i) the Board and its committees maintain oversight of the Company's programs and policies and (ii) there is executive responsibility for implementation of appropriate strategies for the management and mitigation of the Company's key risks.

### **3. Composition of Committee**

The Governance Committee shall consist of three or more directors. In addition, each member of the Governance Committee shall be "independent" for the purposes of applicable Canadian and United States securities law and applicable rules of any exchange on which the Company's shares are listed.

### **4. Appointment of Committee Members**

Members of the Governance Committee shall be appointed by the Board from time to time, and shall hold office until the next annual meeting of shareholders or until their successors are earlier appointed or until they cease to be directors of the Company.

### **5. Vacancies**

Where a vacancy occurs at any time in the membership of the Governance Committee, it may be filled by the Board on the recommendation of the Governance Committee.

### **6. Committee Chair**

The Board shall appoint a Chair of the Governance Committee who shall:

- a) review and approve the agenda for each meeting of the Governance Committee and as appropriate, consult with members of management;
- b) preside over meetings of the Governance Committee;
- c) make suggestions and provide feedback from the Governance Committee to management regarding information that is or should be provided to the Governance Committee;
- d) report to the Board on the activities of the Governance Committee relative to its recommendations, resolutions, actions and concerns;
- e) annually review the performance of the Chair of the Board with input from the members of the Board;

- f) as necessary, review reports on the exercise, acquisition and disposition of share and option holdings by members of senior management; and
- (g) as necessary, and in consultation with the Chair of the Board, the CEO and Corporate Secretary, may approve acceptance of outside directorships on the boards of entities that are not affiliates of the Company by members of the Board, CEO, or executive vice-presidents.

**7. Absence of Committee Chair**

If the Chair of the Governance Committee is not present at any meeting of the Governance Committee, one of the other members of the Governance Committee present at the meeting shall be chosen by the Governance Committee to preside at the meeting.

**8. Secretary of Committee**

The Corporate Secretary shall act as Secretary to the Governance Committee.

**9. Meetings**

The Chair, or any two members of the Governance Committee, may call a meeting of the Governance Committee. The Governance Committee shall meet at least semi-annually. The Chair of the Board and the Company's President and Chief Executive Officer may attend all meetings of the Governance Committee. The Governance Committee may also meet in separate executive sessions.

**10. Quorum**

A majority of the members of the Governance Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

**11. Notice of Meetings**

Notice of the time and place of every meeting shall be given in writing, facsimile communication or by other electronic means to each member of the Governance Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**12. Attendance of Company Officers or Employees at Meeting**

At the invitation of the Chair of the Governance Committee, one or more officers or employees of the Company may attend any meeting of the Governance Committee.

**13. Procedure, Records and Reporting**

The Governance Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board not later than the next regularly scheduled meeting of the Board.

**14. Review of Charter and Evaluation of Committee**

The Governance Committee shall evaluate, on an annual basis, its performance and review its Charter

and shall, as it deems appropriate, recommend any changes to the Board for approval.

15. **Outside Experts and Advisors**

The Governance Committee is authorized when deemed necessary or desirable to retain independent counsel, outside experts and other advisors, at the Company's expense, to advise the Governance Committee or its members independently on any matter.