

# Compensation & Corporate Governance Mandate



## OVERALL PURPOSE / OBJECTIVE

The Compensation and Corporate Governance Committee is appointed by the Board of Directors to assist the Board in carrying out its responsibility for the stewardship of the Corporation as well as in meeting its disclosure and continued listing requirements. In terms of Human Resources, the Committee will examine the nomination of Directors and appointment of senior managers of the Corporation as well as their overall compensation and make appropriate recommendations to the Board; it will also lead in the development and review of a succession plan. With regards to Corporate Governance, the Committee has the general responsibility for developing the Corporation's approach to governance issues and recommending an effective corporate governance process to the Board consistent with the TSX guidelines.

In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and other Committees of the Board. To perform his or her role effectively, each Committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the Committee's responsibilities and the Corporation's business operations and risks.

## AUTHORITY

The Board authorizes the Compensation and Corporate Governance Committee, within the scope of its responsibilities, to:

1. Perform activities within the scope of its Mandate;
2. Ensure the attendance of Corporation officers at meetings, as appropriate;
3. Request and gain access to members of management, employees and relevant information;
4. Select, retain and terminate a compensation consultant to assist in the evaluation of the Chief Executive Officer or members of senior management compensation and to approve any compensation payable by the Corporation to such consultant, including the fees, terms and other conditions for the performance of such services;
5. Obtain such advice and assistance from outside accounting, legal or other advisors as the Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities hereunder;
6. Pay to any compensation consultant or outside accounting, legal or other advisor retained by the Committee pursuant to the preceding paragraph such compensation, including, without limitation, usual and customary expenses and charges, as shall be determined by the Committee; and
7. Establish procedures for dealing with the various aspects of their mandate.

## ORGANIZATION

### Membership

1. The Board of Directors will nominate the Compensation and Corporate Governance Committee members and the chairman of the Committee who will be an independent Director. In the absence of the Chairperson, a member of the Committee can act in the capacity of the Chair provided the quorum is maintained.
2. The Compensation and Corporate Governance Committee shall consist of not less than three nor more than five members. There shall be a majority of independent, non-executive Directors of the Corporation. Replacements are appointed by the Board in case of resignation or vacancy.
3. A quorum of any meeting will be two members by telephone or in person.
4. Each member should have skills and experience commensurate with the discharge of such duties and responsibilities.
5. Members will be appointed for a one-year term of office. However the Board of Directors may, by resolution, from time to time, remove any member of the Compensation and Corporate Governance Committee, with or without cause, or add to or otherwise change the membership of the Committee. A member of the Committee shall ipso facto cease to be a member of the Committee upon ceasing to be a director of the Corporation.
6. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.
7. The secretary of the Committee will be the meeting secretary, or such other person as nominated by the Board.

### Meetings

1. Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by other electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting. A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice.
2. Meetings shall be held not less than twice a year at the call of the Chair. Teleconferences, although not the preferred meeting method, are acceptable.
3. Special meetings may be called by the secretary of the Committee on the direction of the Chief Executive Officer and one member or any two members of the Committee.
4. The secretary shall circulate the Agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting.
5. The Committee invites the Chief Executive Officer, the Board Chair and, as necessary, any other resource person except during a camera period where only the Committee members are entitled to attend. The Chair shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
6. The secretary of the Committee shall circulate the minutes to members of the Board after approval of such minutes by the Chair.

7. As a minimum, the Chair of the Committee (or another member of the Committee) shall attend the Board meeting at which a Committee report is tabled.

## ROLES AND RESPONSIBILITIES

The Compensation and Corporate Governance Committee will:

### Human Resources

1. Review the Human Resources policies and the organization of the Corporation, including employment, compensation, training and development;
2. Review and approve corporate goals and objectives relevant to the compensation of the Corporation's President and Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, report the results of such evaluation to the Board and set the Chief Executive Officer's compensation level based on this evaluation;
3. Oversee the engagement and termination, and the promotion and compensation of Senior Management reporting directly to the Chief Executive Officer and appointment of all officers of the Corporation, except for the Chief Executive Officer for whom the Committee shall make recommendations to the Board of Directors for its approval;
4. Review, once a year or as needed, the human resource and succession planning for the Chief Executive Officer;
5. Oversee the Corporation's regulatory compliance with respect to compensation matters;
6. Oversee, if and to the extent required by applicable rules and regulations of any securities regulator or stock exchange, a report regarding executive compensation for inclusion in the Corporation's annual proxy circular or other public disclosure documents before the Corporation publicly discloses this information;
7. Ensure that the Corporation's governance practices are fully disclosed in the management information circular or AIF, as appropriate;
8. Take all reasonable steps to ensure that the Corporation's governance documents, specifically including the Corporation Policies on Business Conduct, the annual management information circular, and all Terms of References and Position Descriptions set out in the Terms of Reference for the Board, this Committee and the other committees are made available to any shareholder on request;
9. Review and recommend to the Board the granting of options under any Options or Long-term Incentive Plans;
10. Annually review all aspects of remuneration received by Board members, considering peer practices and the duties and responsibilities of the directors;
11. Annually review, with the Chief Executive Officer, the Terms of Reference for the Chief Executive Officer and recommend any changes to the Board for consideration; and
12. Review and recommend to the Board for consideration any significant changes to the overall compensation program and the Corporation's objectives related to executive compensation.

## Corporate Governance

1. Annually review Board processes and recommend changes to the Board where appropriate. This includes, but would not be limited to, reviewing the following:
  1. the strategic direction processes of the Board;
  2. the processes for monitoring performance of the Board;
  3. the adequate number and duration of Board meetings;
  4. the appropriateness of the annual schedule for regular Agenda items for Board meetings; and
  5. the appropriateness of the information provided to Directors both before and during Board meetings.
2. Regularly review and assess the Corporation's policies on business conduct and ethics and recommend any changes to the Board for consideration;
3. Once or more annually, review and assess the position descriptions for the Board Chair, each committee chair and the Chief Executive Officer and, in the Committee's discretion, recommend any changes to the Board for consideration;
4. Once or more annually, review and assess the mandate for the Board and each Board committee and recommend any changes to the Board committees or Board, as applicable, for consideration;
5. Ensure that all Directors receive the orientation and ongoing training necessary to effectively carry out their responsibilities; and
6. Maintain a summary of legislation and other developments affecting the duties and responsibilities of Directors. Review and approve the annual regulatory disclosure of corporate governance compliance, as required.

## Board and Committee Structure and Appointments

1. Annually review the size, composition, scope, duties and responsibilities of the Board and its members, Board Chair and Board Committees and recommend any changes where advisable;
2. Recommend the establishment or disbanding of Board Committees;
3. Recommend the appointment of Board Committee members and Committee Chairs;
4. Recommend candidates to fill Board, Committee and Committee Chair vacancies;
5. Recommend, when required, a candidate for appointment to the office of Board Chair considering the performance, independence, competencies, skills, financial acumen, and ability to devote sufficient time and resources to his or her duties of the candidate and the Board, as a whole, to ensure effective governance and satisfy applicable law and make recommendations to the Board for consideration;
6. Maintain an ongoing succession plan for Board members that takes into consideration the desired composition of the Board; the strengths, skills and experience of current Directors, expected retirement dates; the strategic direction of the organization and the financial market's need for strong independent representation;

7. Develop and maintain a process and criteria for identifying, recruiting and appointing new Directors;
8. Recommend to the Board nominees for election to the Board at the Annual meeting of Shareholders; and
9. Advise the Board when an issue of conflict or potential conflict arises which may result in the tendering of a resignation by a Director.

### **Board Member Effectiveness**

1. Establish a process to review and monitor the effectiveness of the Board as a whole, its committees, individual Board members, the Chair of the Board, and chairs of Board Committees and make recommendations to the Board to enhance the development of corporate governance.

### **Reporting Responsibilities**

1. At each regular meeting, update the Board about Committee activities and make appropriate recommendations; and
2. Ensure the Board is aware of matters that may significantly impact on the affairs of the business.

### **Other**

1. Review and make recommendations on functional and operational matters relating to the Board such as the requirement for Board meetings without management present;
2. Monitor the quality of the relationship between management and the Board and recommend improvements deemed necessary or advisable;
3. Generally, discuss recommendations with the Chief Executive Officer before making such recommendations to the Board;
4. After consulting with the Chairman, consider and approve, in advance and if considered appropriate, reasonable requests from individual Directors to engage outside advisors in accordance with the organization's policy on the use of outside advisors;
5. Annually review Directors and Officers third party liability insurance coverage;
6. Exercise such other powers and perform such other duties and responsibilities as are incident to the purposes, duties and responsibilities of the Committee specified herein or as may from time to time be delegated by the Board;
7. Review the Committee mandate at least annually or, where circumstances warrant, at such shorter intervals as is necessary, and discuss any required changes with the Board; and
8. Ensure that the mandate is approved or re-approved by the Board.