

## Corporate Governance and Nominating Committee Terms of Reference

### A) PURPOSE

The purpose of the Corporate Governance and Nominating Committee (the "Committee") is (i) to provide a focus on Corporate governance and to assess, and where appropriate, approve or make recommendations regarding corporate values and the elements which will facilitate Board effectiveness and (ii) assist the Board in determining the composition and structure of the Board and recommending candidates for Board membership, Chairman and President and Chief Executive Officer.

### B) DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board assigns to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

#### Governance

- 1) review governance best practices and regulatory developments related to governance in Canada on a continuous basis taking into account any Federal Government requirements;
- 2) develop and recommend to the Board enhancements to the Corporation's system for corporate governance and, subject to approval by the Board, implement and manage the system;
- 3) advise the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any of the committees of the Board;
- 4) recommend to the Board those reports on corporate governance which it determines to be of benefit to the Board;
- 5) oversee the development of an annual discussion of long-term and strategic planning of the Corporation;
- 6) annually recommend to the Board proposed wording of a statement for the Corporation's Annual Report describing the Corporation's approach to corporate governance;
- 7) review and recommend annually, the appointment of Directors to Subsidiary Boards.

#### Board Effectiveness

- 8) develop and recommend to the Board at least every two years a self-evaluation process of the Board and its committees and oversee the evaluations;
- 9) review with the Board, on a regular basis, but not less than annually, the role of the Board and the terms of reference for the committees of the Board with a view to maximizing their effectiveness;
- 10) review with the Board, on a regular basis, the methods and the processes by which the Board fulfils its duties and responsibilities, including without limitation:
  - (a) the number and content of meetings;

- (b) the annual schedule of significant issues to be presented to the Board at its meetings or those of its committees;
  - (c) material which is to be provided to the Directors generally and with respect to meetings of the Board and its committees;
  - (d) resources available to Directors; and
  - (e) the communication process between the Board and Management.
- 11) review and approve the orientation program for new Directors and on-going development of existing Board members;

### **Standards of Integrity**

- 12) in consultation with the President and Chief Executive Officer:
- (a) review the moral and ethical standards of the Corporation to ensure that Management has identified the values that determine acceptable behaviour and has put in place a process that assures that values are reflected in actions taken; and
  - (b) perform an annual review of the Corporation's foregoing moral and ethical policies/practices;
- 13) make recommendations to the Board regarding:
- (a) annual review of the Corporation's Standard of Conduct for Directors; and
  - (b) compliance with the Corporation's Standard of Conduct for Directors;

### **Nominations**

- 14) establish, and review from time to time, the preferred criteria for directors, the Chairman and the President and Chief Executive Officer, which will reflect among other things:
- (a) competencies, skills and personal qualities that should be sought in candidates for Board membership, for Chairman or for President and Chief Executive Officer, as the case may be;
  - (b) experience, areas of expertise and other factors relative to the overall composition of the Board or relevant to the position of Chairman or President and Chief Executive Officer, as the case may be; and
  - (c) responsibilities, commitments, availability and other factors that may materially interfere with or be incompatible with Board membership, serving as Chairman or serving as President and Chief Executive Officer, as the case may be;
- 15) as the need arises, review the qualifications of individuals for consideration as directors, Chairman or President and Chief Executive Officer, as the case may be, and recommend individual candidates to the Board; in making such recommendations, the Committee shall, in addition to the preferred criteria described above, consider the independence of any director candidates under the Corporation's standards of independence, including as they apply to committees of the Board and the Board as a whole, and may, at the expense of the Corporation, seek the advice of any advisors to the Committee appointed in accordance with section 6.04 of By-Law No. 1 and of a professional recruitment firm to select appropriate candidates.

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## General

- 16) approve requests from a committee or an individual Director to engage independent counsel and advisors at the expense of the Corporation where not already specifically authorized to do so pursuant to these Terms of Reference;
- 17) Meetings of the Committee
  - (a) meet regularly, not less than twice a year, and at such other times as may be requested by the Chairperson.
  - (b) the Chairperson of the Committee shall set the agenda and the annual Timeline (“Workplan”) which shall then be circulated among the Committee members. Ordinarily the Chairperson will set the agenda in consultation with the Vice-President, General Counsel, Corporate Secretary and Compliance;
  - (c) the President and Chief Executive Officer shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with members of senior management or only with members of the Committee;
- 18) periodically review these terms of reference to ensure they continue to be appropriate and, as deemed necessary, make recommendations to the Board for improvement;
- 19) perform such other functions as assigned by law, the Corporation's By-laws, or the Board.

Revised: October 15, 2009