

Canadian Coalition for GOOD GOVERNANCE

CANADIAN COALITION FOR GOOD GOVERNANCE GOVERNANCE COMMITTEE CHARTER

1. RESPONSIBILITIES

The Governance Committee (the “Committee”) is responsible for assisting the board of directors of the Corporation (the “Board”) in fulfilling its oversight responsibilities in relation to, among other matters:

- the size, composition and structure of the Board and its committees;
- the nomination of directors;
- assessments of the effectiveness and contribution of the Board, its committees and individual directors;
- the Corporation’s overall approach to its own corporate governance;
- orientation and continuing education for directors;
- matters involving actual or potential conflicts of interest; and
- any additional matters delegated to the Committee by the Board.

2. MEMBERS

The Committee shall consist of three or more directors appointed by the Board on the recommendation of the Committee. Each member of the Committee shall satisfy the director independence criteria adopted by the Board from time to time.

The Board shall appoint the members of the Committee annually following the annual meeting of members at which directors are elected.

3. MEETINGS

The Committee shall meet as frequently as it determines necessary but not less frequently than two times per year. The Chairperson of the Committee, or any two members of the Committee, may call meetings of the Committee.

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The procedure at meetings of the Committee is to be determined by the Committee, unless otherwise specified by the by-laws of the Corporation, by a resolution of the Board or by this Charter.

The Committee may invite any director, officer or employee of the Corporation or any other person to attend any meeting of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

4. DUTIES

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or are delegated to the Committee by the Board.

(a) Board Size, Composition and Structure

The Committee will:

- assess the optimum Board size to facilitate effective decision making and make recommendations to the Board as it determines appropriate;
- on an annual basis, review the composition, mandate and membership of the Board, and make recommendations to the Board as it determines appropriate;
- develop and recommend to the Board for approval appropriate criteria for determining director independence;
- on an annual basis, review the composition, mandate and membership of each Board committee and make recommendations to the Board as it determines appropriate;
- recommend the appointment of and length of term for committee chairpersons; and
- where a vacancy occurs at any time in the membership of any Board committee, recommend to the Board a director to fill such vacancy.

(b) Nomination of Directors

The Committee will:

- recommend for approval by the Board and implement a selection and screening process to ensure that suitable director candidates are identified and recommended to the Board in a timely manner, taking into account:
 - the competencies and skills the Board as a whole should possess;
 - the needs of individual committees, particularly with respect to anticipating retirements of chairpersons and committee members;

- the competencies and skills each existing director possesses;
- the competencies and skills each candidate for appointment to the Board would bring to the Board;
- whether or not each candidate would be able to devote sufficient time and resources to his or her duties as a Board member; and
- the strategic direction of the Corporation;
- recommend for approval by the Board selection criteria for identifying director candidates to be recommended to the Board taking into account the competencies and skills the Board as a whole should possess; and
- recommend to the Board the candidates to stand for election at each annual meeting of members or otherwise to be appointed by the Board to fill any vacancy on the Board from time to time.

(c) Performance Assessments

The Committee will be responsible for assisting the Board in discharging its assessment duties and to this end will:

- develop and recommend to the Board
 - a process for assessing the performance and effectiveness of the Board in fulfilling its responsibilities and duties as set out in its mandate;
 - a process for assessing the performance and effectiveness of the Board committees in fulfilling their responsibilities and duties as set out in their respective charters and in a manner consistent with the mandate adopted by the Board;
 - a self assessment process for individual directors which takes into account, among other things, the competencies and skills that each director is expected to bring to the Board; and
 - a process for assessing the performance of the Chairperson of the Board in that role;
- on a bi-annual basis, oversee the implementation of the assessment processes approved by the Board; and
- report annually to the Board, in such form as the Committee shall consider appropriate, on the results of its assessments of Board and committee performance, the contributions of individual directors and the performance of the Chairperson of the Board.

(d) Approach to Corporate Governance

The Committee will review the Corporation's overall approach to its own corporate governance and make recommendations to the Board in this regard. Among other things, the Committee will:

- develop and recommend to the Board for approval corporate governance policies, practices and procedures applicable to the Corporation, and make recommendations to the Board as it determines appropriate;
- develop charters for any new committees established by the Board and review the charters of each existing committee, and make recommendations to the Board as it determines appropriate;
- review the position description for the Chairperson of the Board and make recommendations to the Board as it determines appropriate;
- review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- monitor relationships between management of the Corporation and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with, management;
- ensure the proper flow of information to the Board and consider the adequacy and timing of materials provided to the Board in support of management's proposals;
- be available as a forum for addressing the concerns of individual directors;
- work with the Chairperson of the Board to foster a healthy corporate governance culture within the Corporation; and
- monitor trends and best practices in the area of corporate governance and recommend new corporate governance policies, practices and procedures that will help the Corporation maintain the highest standards of corporate governance.

(e) Orientation and Continuing Education for Directors

The Committee will:

- ensure that there is a comprehensive orientation program for new directors with respect to their Board responsibilities, the role of the Board and its committees, as well as the contribution that individual directors are expected to make; and
- ensure that appropriate orientation and education programs are in place for new committee members.

(f) Conflicts of Interest

The Committee will review all matters involving a Board member's potential or actual conflict of interest as may be referred to the Committee by the Board. Any member of the Committee who has a potential or actual conflict of interest in any matter must disclose that conflict to the Committee and abstain from any vote of the Committee pertaining to that matter, except where the Board or the Committee has expressly determined that it is appropriate for him or her to vote on such matter.

5. REPORTING

The Committee will report regularly to the Board on all significant matters it has addressed and with respect to such other matters as are within its responsibilities.

6. REVIEW

The Committee will review and assess the adequacy of this Charter on an annual basis, taking into account best practice guidelines recommended by securities regulators and stock exchanges, to the extent appropriate for the Corporation, and recommend any amendments to the Board.

7. ASSESSMENT

The Committee will conduct an annual review and assessment of its performance, including a review of its compliance with this Charter, in accordance with the process developed by the Committee and approved by the Board.

8. CHAIRPERSON OF COMMITTEE

Each year, the Board will appoint one member of the Committee to be Chairperson of the Committee. If, in any year, the Board does not appoint a Chairperson, the incumbent Chairperson will continue in office until a successor is appointed.

The Chairperson of the Committee will be responsible for effectively managing the affairs of the Committee and ensuring that it is properly organized, functions efficiently and addresses its responsibilities under this Charter. More specifically, the Chairperson of the Committee will:

- provide leadership to enable the Committee to act effectively in carrying out its duties and responsibilities as described in this Charter and otherwise as may be appropriate;
- in consultation with the Chairperson of the Board and the Executive Director, ensure that there is an effective relationship between management of the Corporation and members of the Committee;
- chair meetings of the Committee;

- in consultation with the Chairperson of the Board, determine the frequency, dates and locations of meetings of the Committee;
- in consultation with the Executive Director, prepare or review agendas for meetings of the Committee to ensure that all required business is brought before the Committee to enable it to efficiently carry out its duties and responsibilities;
- ensure, in consultation with the Chairperson of the Board, that all items requiring the Committee's approval are appropriately tabled;
- ensure the proper flow of information to the Committee and review with the Managing Director the adequacy and timing of materials provided to the Committee in support of management's proposals;
- report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee; and
- carry out any special assignments or any functions as requested by the Board.

9. REMOVAL AND VACANCIES

Any member of the Committee may be removed and replaced at any time by the Board. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board on the recommendation of the Committee.

10. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS

The Committee shall have full, free and unrestricted access to the Executive Director and the other officers and employees of the Corporation.

In carrying out its duties, the Committee may retain any outside advisor without Board or management approval at the expense of the Corporation and has the authority to determine any such advisor's fees and other retention terms. For greater certainty, the Committee has the authority to retain and terminate any search firm used to identify director candidates.