

Governance and Nominating Committee

1. Composition

- a) The Governance and Nominating Committee shall consist of a minimum of three directors, the majority of whom shall be unrelated, outside directors.
- b) The Chairman of the Governance and Nominating Committee shall be an outside member appointed by the Board on the recommendation of the Chairman of the Board.
- c) A quorum for the transaction of business at all meetings of the Governance and Nominating Committee shall be a majority of members.

2. Terms of Reference

The Governance and Nominating Committee shall:

- a) Develop the Corporation's approach to governance issues and will ensure that:
 - i. Governance of the Corporation is implemented in compliance with this Manual;
 - ii. The Corporation's governance is reviewed at least annually;
 - iii. The Corporation is compliant with the guidelines set out by the Toronto Stock Exchange and the American Stock Exchange;
- b) Ensure that standards of ethical conduct are developed and monitored (see Section 19).
- c) Annually examine the size of the Board and the effectiveness and contribution of individual directors, and will undertake, where appropriate, to increase or decrease the number of directors and to replace directors in order to facilitate more effective leadership and decision-making;
- d) Recommend a desirable balance of skills and experience among Board members;

- e) Seek out and attract qualified candidates of either gender to fill Board positions;
- f) Recommend to the Board the appropriate nominees to fill vacancies on the Board or to be proposed as candidates for election as directors at the annual shareholder meeting;
- g) Ensure that new members of the Board are provided with the necessary information about the Corporation, its business and the factors that affect its performance and review and monitor the orientation of new Board members;
- h) Review and approve officers' directorships in companies other than subsidiary companies and to review directors' relationships with other outside entities with regard to potential conflicts of interest;
- i) Provide advice to the Chairman of the Board regarding proposed committee nominations;
- j) Recommend to the Board the appointment of the Chairman following the election of the Directors at the annual meeting of shareholders;
- k) Ensure that the performance evaluation of the Chairman of the Board is incorporated in the Board review process, which takes place annually.