

## TERMS OF REFERENCE FOR THE CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE OF THE COMPANY

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### 1. PURPOSE

The Corporate Governance and Human Resources Committee (in this part, the "**Committee**") shall act in an advisory capacity only to the Board (i.e. "review/recommend" matters to the Board) with respect to governance and nominating matters. In this regard, the purpose of the Committee is to:

- (i) manage the corporate governance system for the Board;
- (ii) assist the Board to fulfill its duty to meet the applicable legal, regulatory and (self-regulatory) business principles and 'codes of best practice' of corporate behavior and conduct;
- (iii) assist in the creation of a corporate culture and environment of integrity and accountability;
- (iv) in conjunction with the Lead Director, monitor the quality of the relationship between the Board and management of the Company;
- (v) review the Chief Executive Officer's succession plan;
- (vi) recommend to the Board nominees for appointment to the Board;
- (vii) lead the Board's annual review of the Chief Executive Officer's performance; and
- (viii) annually review and set the Board forward agenda.

Additionally, with respect to compensation and human resources matters, the Committee shall: (a) discharge the Board's responsibilities relating to compensation of the Company's directors and officers; and (b) oversee the performance and development of the Company's senior executives. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company. The Committee is responsible for reviewing the performance of senior executives and approving succession planning. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's management information circular or other prescribed document pursuant to applicable securities laws.

### 2. COMPOSITION AND ORGANIZATION

- 2.1 Annually, following the annual general meeting of the Company, the Board shall elect from its members not less than three directors to serve on the Committee. The members of the Committee shall meet the independence requirements of the TSX rules or such other stock exchange on which the common shares of the Company may be listed and applicable securities laws.
- 2.2 The Board shall appoint one of the directors on the Committee as the Committee Chair.
- 2.3 Each member shall hold office until the close of the next annual general meeting of the Company or until the member resigns or is replaced, whichever first occurs.
- 2.4 The Committee shall meet as required but at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any two members.
- 2.5 The Chief Financial Officer shall act as management advisor to the Committee.

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- 2.6 The Committee may invite such directors, officers and employees of the Company or other advisors as it may see fit from time to time to attend meetings and assist in the discussion and consideration of the business of the Committee.

**3. DUTIES AND RESPONSIBILITIES**

**3.1 Governance**

- (i) Develop and monitor the Company's overall approach to corporate governance issues and, subject to approval by the Board, implement and administer this process.
- (ii) Advise the Board or any of the committees of the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any such committees.
- (iii) Review with the Board, on a regular basis, but not less than annually, the terms of reference for the Board, each committee of the Board, the Chair, the Chief Executive Officer and the Lead Director.
- (iv) Review with the Board, on a regular basis, the methods and processes by which the Board fulfils its duties and responsibilities, including without limitation:
  - (a) the size of the Board;
  - (b) the number and content of meetings;
  - (c) the annual schedule of issues to be presented to the Board at its meetings or those of its committees;
  - (d) material which is to be provided to the directors generally and with respect to meetings of the Board or its committees;
  - (e) resources available to the directors; and
  - (f) the communication process between the Board and management.
- (v) Review and, as necessary, authorize a committee or an individual director to engage separate independent counsel and/or advisors at the expense of the Company in appropriate circumstances.
- (vi) Make recommendations to the Board regarding changes or revisions to the Board's Corporate Governance Guidelines.
- (vii) Evaluate and make recommendations to the Board concerning the appointment of directors to the committees and the selection of Board committee chairs.
- (viii) Annually evaluate and report to the Board on the performance and effectiveness of the Board and its committees.
- (ix) Annually, in conjunction with the Chief Executive Officer, evaluate the performance of the Company's management (other than the Chief Executive Officer). Conduct an annual review of succession planning and report its findings and recommendations to the Board.

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- (x) Evaluate and lead the Board's annual review of the Chief Executive Officer's performance.
- (xi) Annually review and evaluate its performance.

**3.2 Nominations**

- (i) Annually, in consultation with the Chair of the Board and the Chief Executive Officer, present to the Board a list of individuals recommended for election to the Board at the annual meeting of shareholders.
- (ii) Before recommending an incumbent, replacement or additional director, review his or her qualifications, availability to serve, conflicts of interest and other relevant factors.
- (iii) Review, monitor and make recommendations regarding new director orientation and the ongoing development of existing Board members.
- (iv) Engage any outside advisor that it determines necessary to permit it to carry out its duties with regard to nomination and to approve the compensation to be paid by the Company to such advisors.

**3.3 Compensation and Human Resources**

- (i) *Chief Executive Officer Compensation.* The Committee shall annually review, evaluate and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and recommend to the Board the Chief Executive Officer's compensation level based on this evaluation.
- (ii) *Executive Officer Compensation.* The Committee shall review and recommend to the Board executive officer (including Chief Executive Officer) compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Committee shall meet without the presence of executive officers when approving Chief Executive Officer compensation but may invite the Chief Executive Officer to be present during approval of other executive officer compensation.
- (iii) *Plan Recommendations and Approvals.* The Committee shall periodically review and make recommendations to the Board with respect to incentive compensation plans and equity-based plans. The Committee shall review and approve: (a) all tax-qualified, nondiscriminatory employee benefit plans; and (b) all parallel non-qualified plans pursuant to which (in the case of plans referred to in each of clauses (a) and (b)) options or shares may be acquired by officers, directors, employees or consultants of the Company.
- (iv) *Incentive Plan Administration.* The Committee shall exercise all rights, authority and functions delegated to it under all of the Company's share option, share incentive, employee share purchase and other equity-based plans (including the LTIP) or by the Board, including, without limitation, the authority to interpret the terms thereof, to grant options thereunder, to make share awards thereunder and to determine the vesting of all awards; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Committee shall not be authorized to amend any such

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plan. The Committee shall also review, semi-annually, projected pro forma vesting and awards under the LTIP and the Company's policies and practices for accounting for such awards. The results of such review are to be provided to the Audit Committee.

- (v) *Director Compensation.* The Committee shall periodically review and make recommendations to the Board with respect to director compensation (including compensation for members of committees of the Board).
- (vi) *Management Share Ownership.* The Committee may, from time to time, establish equity ownership guidelines for senior management of the Company in order to align the long-term interests of employees with those of shareholders and review such commitments at least annually.
- (vii) *Annual Performance Goals.* The Committee will review annual written goals and objectives of the senior executives of the Company, including the Chief Executive Officer. This review will be conducted in the fall of each year and will cover goals to be achieved in the following calendar year. Further, each spring, the Committee will review actual performance against previous year's goals to evaluate individual performance and, in turn, compensation levels.
- (viii) *Succession Planning.* The Committee will review and approve management's succession plans for all key executives and managers of the Company. While succession planning is viewed as an ongoing process, the Committee will review this area two times a year.
- (ix) *Training Requirements.* The Committee, as part of succession planning, will review individual specific training requirements, including timing, for key executives and managers of the Company.
- (x) *Committee Report on Executive Compensation.* The Committee shall prepare an annual report on executive compensation for inclusion where necessary in the Company's management information circular and/or other document prescribed by securities laws.
- (xi) *Charter.* The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- (xii) *Consulting Arrangements.* The Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and shall have authority to approve the consultant's fees and other retention terms.
- (xiii) *Additional Powers.* The Committee shall take such other action with respect to compensation matters as may be delegated from time to time by the Board. The Committee shall have the authority to engage any outside advisor that it determines necessary with respect to compensation matters to permit it to carry out its duties and to approve the compensation to be paid by the Company to such advisors.

### 4. ACCOUNTABILITY

- 4.1 The Committee shall report to the Board of Directors at its next regular meeting all deliberations and actions it has taken since the previous report.
- 4.2 The minutes of all meetings of the Committee will be made available for review by any member of the Board on request to the Chair of the Committee.