

**PLUTONIC POWER CORPORATION**

**Corporate Governance Manual**

Adopted and Approved by  
the Board of Directors  
on November 12, 2008.

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## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **Purpose**

This Code of Business Conduct and Ethics (“Code”) is intended to document the principles of conduct and ethics to be followed by the Corporation’s directors, officers and employees (collectively, its “Employees”) and, where practical, its consultants, contractors and sub-contractors. Its purpose is to:

- Promote fair dealing with the Company’s partners, customers, suppliers, competitors and other third parties.
- Promote integrity and deter wrongdoing.
- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
- Promote avoidance of conflicts of interest, including disclosure to a member of the Corporation’s senior management, of any material transaction or relationship that reasonably could be expected to give rise to such a conflict.
- Promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or submits to, securities regulatory authorities and in other public communications made by the Corporation.
- Promote compliance with applicable governmental laws, rules and regulations.
- Promote and provide a mechanism for the prompt internal reporting to an appropriate person of departures from this Code and for unethical conduct.
- Promote accountability for adherence to this Code.
- Provide guidance to Employees to help them recognize and deal with ethical issues.
- Help foster a culture of integrity, honesty and accountability throughout the Corporation.

This Code is not intended to be a comprehensive guide to all of the Corporation’s policies or to all of its Employees’ responsibilities under applicable laws or regulations. It is intended to provide general parameters to help resolve the ethical and legal issues encountered when the Corporation conducts business.

The Corporation will expect all of its Employees to comply and act in accordance, at all times, with the principles stated above and the more detailed provisions following below. Departures from this Code by an Employee will be grounds for disciplinary action up to and including, without limitation, termination of employment or directorship.

## **Basic Obligations**

Under the Corporation's ethical standards, Employees share certain responsibilities. These responsibilities are as follows:

- To become familiar with and conduct Corporation business in compliance with applicable laws and this Code.
- To treat all Employees, customers, business partners, suppliers, competitors and investors in an honest and fair manner.
- To avoid situations where the Employee's personal interests are, *or appear to be*, in conflict with the Corporation interests.
- To safeguard and properly use the Corporation's proprietary and confidential information, assets, resources and opportunities, as well as those of the Corporation's business partners.

## **Fair Dealing**

Employees are required to deal honestly and fairly with the Corporation's partners, customers, suppliers, competitors and other third parties. When dealing with customers and suppliers, the Corporation:

- Prohibits bribes, kickbacks or any other form of improper payment, direct or indirect, to any representative of government, labor union, customer or supplier in order to obtain a contract, some other commercial benefit or government action.
- Prohibits Employees from accepting any bribe, kickback or improper payment from anyone.
- Prohibits gifts of more than modest value to or from suppliers or customers.
- Limits marketing and client entertainment expenditures to those that are necessary, prudent, job-related and consistent with the Corporation's policies.
- Requires clear and precise communication in the Corporation's contracts, advertising, literature and other public statements and seeks to eliminate misstatement of fact or misleading impressions.
- Prohibits Employees from otherwise taking unfair advantage of the Corporation's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

## **Conflicts of Interest**

An Employee should not engage in any activity, practice or act which creates or gives the appearance of a conflict with the best interests of the Corporation or its business partners. A conflict of interest occurs when an Employee places or finds himself/herself in a position where

his or her private interests create or give the appearance of a conflict with the best interests of the Corporation or have an adverse affect on his or her motivation or the proper performance of his or her job. Examples of such conflicts could include, but are not limited to:

- Accepting outside employment with, or accepting personal payments from, any organization which does business with the Corporation or is a competitor of the Corporation.
- Accepting or giving gifts of more than modest value to or from customers, business partners or suppliers of the Corporation.
- Competing with the Corporation for the purchase or sale of property, services or other interests or taking personal advantage of an opportunity in which the Corporation has an interest or which would otherwise be in breach of any fiduciary obligations which any such Employee may have to the Corporation.
- Seeking or accepting any personal loan or services from any entity with which the Corporation does business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their respective businesses.
- Accepting any personal loan or guarantee of obligations from the Corporation, except to the extent such arrangements are legally permissible.
- Having, or immediate family members having, a financial interest in an entity which does business with the Corporation, without making full disclosure of such interest to the Board.
- Having an interest in a transaction involving the Corporation or a customer, business partner or supplier (not including routine investments in publicly traded companies).

Employees must not place themselves or remain in a position in which the Employee's private interests conflict with the interests of the Corporation. If an Employee is unsure as to whether or not he or she is in a position of conflict, the Employee should consult with a member of the Corporation's senior management to assist in making a determination.

If the Corporation determines that an Employee's outside work interferes with the Employee's performance or his or her ability to meet the requirements of the Corporation, as they are modified from time to time, the Employee may be asked to terminate the outside work if he or she wishes to remain employed by the Corporation. To protect the interests of both an Employee and the Corporation, any activity that involves potential or apparent conflict of interest may be undertaken only after disclosure to a member of the Corporation's senior management by the Employee and review and approval by the appropriate level of management.

### **Protection and Proper Use of Corporation Assets**

Employees must protect the Corporation's assets and ensure their efficient use, as theft, carelessness and waste will have a direct impact on the Corporation's profitability and shareholder value. All Corporation assets should be used for legitimate business purposes. If an

Employee wishes to use Corporation assets in support of charitable or professional activities, he or she must first obtain the consent of the Board Chair, in the case of a director or the Chief Executive Officer, or the Chief Executive Officer in the case of all other Employees.

### **Confidentiality Concerning Corporate Affairs**

Employees must preserve and protect the confidentiality of information entrusted to them by the Corporation or its customers, business partners and suppliers and which they come into contact with in the course of their employment, except when disclosing information which is expressly approved by an Employee with authority to give such approval or such disclosure is legally mandated. Confidential information encompasses proprietary information which is not in the public domain and which if disclosed could be of use to competitors, or could harm the Corporation, its Employees or its customers, business partners or suppliers.

Employees must also not use or disclose to the Corporation any proprietary information or trade secrets of any former employer or other person or entity with whom obligations of confidentiality exist. Similarly, an Employee's obligation to protect confidential information continues after he or she leaves the Corporation.

### **Disclosure Policy**

The Corporation is committed to providing timely, accurate, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities laws. The Corporation has implemented a Disclosure Policy, the goal of which is to raise awareness of the Corporation's approach to disclosure among Employees and those authorized to speak on behalf of the Corporation.

The Disclosure Policy extends to all Employees and those authorized to speak on the Corporation's behalf. It covers disclosure in documents the Corporation disseminates to the public and files with securities regulatory authorities, written statements made in the Corporation's annual and quarterly reports, news releases, material change reports, letters to shareholders, presentations, information contained on the Corporation's website and other electronic communications. It also extends to oral statements made in meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), interviews with the media as well as speeches and conference calls.

A copy of the Corporation's Disclosure Policy will be provided to each new Employee prior to his or her start date, and all Employees will be expected and required to adhere to the Corporation's Disclosure Policy.

### **Accuracy of Records**

The Corporation is required to record and report all internal and external financial results and records in compliance with Canadian generally accepted accounting principles. Therefore, Employees are responsible for ensuring the accuracy of all books and records within their control and complying with all of the Corporation's policies and internal controls. All of the Corporation's information must be reported accurately, whether in internal, personnel, safety, or

other records or in information the Corporation releases to the public or files with government agencies.

### **Financial Reporting and Disclosure Controls**

The Corporation is required to file periodic and other reports with regulatory authorities and to make certain public communications. The Corporation is required by such regulatory authorities to maintain effective “disclosure controls and procedures” so that financial and non-financial information is reported timely and accurately both to its senior management and in any public filings it makes. Employees are expected, within the scope of their employment duties, to support the effectiveness of the Corporation’s disclosure controls and procedures.

### **Compliance with All Laws, Rules and Regulations**

The Corporation is committed to compliance with all applicable laws, rules, and regulations, including those applicable to the Corporation's securities and those promulgated by any stock exchange on which the Corporation's securities are listed, and the Corporation expects all Employees to comply with all applicable laws, rules and regulations.

### **Health and Safety**

The Corporation is committed to making its work environment safe, secure and healthy for its Employees and others. The Corporation will comply with or exceed all applicable laws, rules and regulations relating to safety and health in the workplace, and expects each Employee to promote a positive working environment for all and to consult and comply with all of the Corporation’s rules regarding workplace conduct and safety. Employees should immediately report any unsafe or hazardous conditions or materials, any injuries or accidents and any activity that compromises corporate security to a senior officer of the Corporation. Employees must not work under the influence of any substances that would impair the safety of others. All threats or acts of physical violence or intimidation are prohibited.

### **Respect for Employees**

The Corporation's employment decisions will be based on reasons related to its business, such as job performance and individual skills and talents. The Corporation will adhere to all national, provincial or other local employment laws. The Corporation will not discriminate, within the meaning of applicable laws, on the basis of race, color, religion, sex, national origin, disability or age.

### **Abusive or Harassing Conduct Prohibited**

Abusive or harassing conduct by an Employee towards others, such as unwelcome sexual advances, comments based on ethnicity, religion or race, other non-business, personal comments or conduct that makes others uncomfortable in their employment is prohibited. The Corporation encourages and expects an Employee to report abusive, harassing or other inappropriate conduct to management as soon as it occurs.

## **Privacy**

The Corporation, and companies and individuals authorized by the Corporation, collect and maintain personal information that relates to an Employee's employment, including compensation, medical and benefit information. The Corporation follows procedures to protect information wherever it is stored or processed, and access to an Employee's personal information is restricted. Personal information will only be released to outside parties in accordance with the Corporation's policies and applicable legal requirements. Employees who have access to personal information must ensure that personal information is not disclosed in violation of the Corporation's policies or practices or applicable legal requirements.

## **Raising Concerns and Reporting Departures from this Code**

It is the responsibility of all Employees to understand and comply with this Code.

If an Employee observes or becomes aware of an actual or potential departure from this Code, or of any actual or potential violation of any law or regulation, whether committed by an Employee or others, it is his or her responsibility to report the circumstances as outlined herein and to cooperate with any investigation by the Corporation. This Code is designed to provide an atmosphere of open communication regarding compliance issues and to ensure that Employees acting in good faith have the means to report actual or potential departures from this Code.

For assistance with compliance matters and to report actual or potential departures from this Code, an Employee should contact the Vice President – Legal Affairs, or in his or her absence the Chief Financial Officer, of the Corporation. An Employee may also submit reports of departures from this Code in writing on a confidential basis to the Chair of the Corporate Governance/Nominating Committee in an envelope labelled with a legend such as "To be opened by the Corporate Governance/Nominating Committee only, being submitted pursuant to the Code of Business Conduct and Ethics". An Employee may submit such confidential envelopes directly or via an officer of the Corporation, who will forthwith pass it on to the Chair of the Corporate Governance/Nominating Committee.

Officers and directors who become aware of any departure from this Code should promptly report such to the Chair of the Corporate Governance/Nominating Committee openly or confidentially (in the manner described above).

Following the receipt of any report of a departure from this Code the Corporate Governance/Nominating Committee, or someone acting on its behalf, will investigate each matter so reported and take corrective disciplinary actions, if appropriate, up to and including termination of employment.

## **Policy Against Retaliation**

The Corporation prohibits reprisal or retaliation by any Employee against anyone for raising suspected departures from this Code or other conduct violations or helping to resolve a conduct concern. Any individual who has been found to have engaged in retaliation against an Employee for raising, in good faith, a departure from this Code or a conduct concern or for participating in the investigation of such a departure or concern may be subject to discipline, up to and including termination of employment or other business relationship. If any individual believes that he or

she has been subjected to such retaliation, that person is encouraged to report the situation as soon as possible as provided for under the heading "Raising Concerns and Reporting Departures from this Code".

It should be noted that the Corporation's policy against retaliation will not preclude the Corporation from undertaking discipline against an Employee who has self-reported a departure from this Code or other conduct violation.

### **Relationship to Other Policies**

All of the Corporation's policies are applicable to all Employees, including the "whistleblower" protection "Policy Against Retaliation". Directors will find additional guidance in the Corporation's "Operating Guidelines for the Board of Directors" and "Guidelines for Individual Directors". If a director is also a member of a Board committee, reference should be made to the particular committee's Charter. In the event of any conflict between such policies and this Code, the terms of this Code will govern.

### **Waivers and Amendments of this Code**

Only the Board of Directors may waive application of or amend any provision of this Code. A request for a waiver of application of this Code should be submitted in writing to the Board Chair for consideration by the Board. The Corporation will promptly disclose to Employees all substantive amendments to this Code, and will disclose all substantive amendments to this Code and all waivers of this Code granted to directors or officers in accordance with applicable laws and regulations.

### **Employee Override of Policies**

Employee override of established policies and procedures is prohibited without appropriate authorization. An Employee requesting an override must have approval in writing (i.e. through a memo or email) before the override occurs from either the Chief Executive Officer or Chief Financial Officer. If the Employee requesting the override is the Chief Executive Officer or Chief Financial Officer, the approval must be in writing from the Board. If an Employee witnesses or is asked to participate in any kind of employee override that has not been appropriately authorized, the Employee must promptly report it in accordance with the procedures set out under the heading "Raising Concerns and Reporting Departures from this Code" above.

### **No Rights Created**

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Corporation's business. It is not intended to, and does not in any way, constitute an employment contract or an assurance of continued employment or create any rights in any Employee, customer, business partner, supplier, competitor, shareholder or other person or entity.

**Receipt and Acknowledgement**

The undersigned hereby acknowledges having received and read a copy of the Plutonic Power Corporation Code of Business Conduct and Ethics and agrees to respect and comply with its terms and its intent at all times.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **OPERATING GUIDELINES FOR THE BOARD OF DIRECTORS**

### **General**

The Board believes that the principal objective of the Corporation is to generate economic returns with the goal of maximizing shareholder value. This is to be accomplished by the Board through its stewardship of the Corporation. In fulfilling its stewardship function, the Board's responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, health, safety and environmental oversight, communications with other parties and overseeing financial and corporate issues.

The Board believes that good corporate governance practices provide an important framework for a timely response by the Board to situations that may directly affect shareholder value. The Board is committed to practicing good corporate governance, and has adopted these guidelines to help it practice good corporate governance.

These guidelines, as set out below, define the role of the Board and outline how the Board will operate to carry out its duties of stewardship and accountability.

### **The Board-Management Relationship**

While the Board is called upon to "manage" the business of the Corporation by law, this is generally carried out by proxy through the Corporation's Chief Executive Officer, who is appointed by the Board and charged with the day-to-day leadership and management of the Corporation. The Board will satisfy itself, to the extent feasible, as to the integrity of the Chief Executive Officer and other officers of the Corporation and that they are creating a culture of integrity throughout the Corporation.

The Chief Executive Officer's prime responsibility is to lead the Corporation. The Chief Executive Officer formulates corporate policies and proposed actions and presents them to the Board for approval. The Board approves the goals of the business, the objectives and policies within which it is managed, and then steps back and evaluates management's performance. Reciprocally, the Chief Executive Officer keeps the Board fully informed of the Corporation's progress towards the achievement of its goals and of all material deviations from the goals or objectives and policies established by the Board, in a timely and candid manner.

Once the Board has approved the Corporation's goals, objectives and policies it acts in a unified and cohesive manner in supporting and guiding the Chief Executive Officer, subject to its duty to act in the best interests of the Corporation.

### **Board Independence**

The Board must have the capacity, independent of management, to fulfill its responsibilities. Independence is based upon the absence of relationships and interests that could compromise the ability of a director to exercise judgment with a view to the best interests of the Corporation. The Board must be able to make an objective assessment of management and assess the merits of management initiatives. Therefore, the Corporation is committed to the following practices:

1. The recruitment of strong, independent<sup>1</sup> directors.
2. A majority of the directors being independent.
3. Delegation of the lead role in the director selection/evaluation process to the Corporate Governance/Nominating Committee and the lead role in the Chief Executive Officer evaluation process to the Compensation Committee.
4. All committees of the Board being constituted with a majority of independent directors, and solely with independent directors if possible.

### **Corporate Strategy**

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board's role is to ensure that there is a strategic planning process, and then review, question, validate, and ultimately approve the strategy and monitor its implementation. This will entail the Board's reviewing with management the mission of the business in conjunction with management's objectives and goals and the strategy by which it proposes to reach those goals, and will include the Board:

1. Participating with management in the development of, and ultimately approving, the Corporation's strategic plan on an annual basis.
2. Approving the annual business plans that enable the Corporation to realize its objectives.
3. Approving the annual capital and operating budgets which support the Corporation's ability to meet its strategic objectives.

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<sup>1</sup> Multilateral Instrument 52-110 *Audit Committees* defines "independence" as having no direct or indirect material relationship with the issuer, and a "material relationship" as a relationship which could, in the view of the issuer's board, be reasonably expected to interfere with the exercise of a director's independent judgment. Specific individuals considered to have a material relationship with an issuer include:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer (excluding a person who has acted as chair of the board of directors on a part-time basis);
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee;
- (d) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years;
- (e) an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
- (f) an individual who is an affiliated entity of the issuer or any of its subsidiary entities.

Reference should be made to Multilateral Instrument 52-110 for the other circumstances in which an individual will be considered to have a material relationship with an issuer.

4. Approving the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation.
5. Approving material divestitures and acquisitions.
6. Monitoring the Corporation's progress towards its goals, and revising and altering its direction through management in light of changing circumstances.
7. Reviewing, at every regularly scheduled Board meeting if feasible, recent developments that may affect the Corporation's strategy.

### **Risk Management**

The Board is responsible for identifying, with management, the principal risks of the Corporation's business and reviewing, approving and monitoring the implementation of appropriate systems to manage and reduce those risks. This will include an assessment and evaluation of information provided by management and others (for example, internal and external auditors) about the effectiveness of management control systems, an understanding of principal risks, the impact of risks on the Corporation's strategic plan and a determination of whether the Corporation is achieving a proper balance between risk and returns.

### **Succession Planning**

The Board will take reasonable steps to ensure that succession planning and management development programs are in place. This will include a succession plan for the Chief Executive Officer, a succession planning program for other members of senior management and ensuring that the Corporation's criteria and processes for recognition, promotion, training, development and appointment of senior management are consistent with the future leadership requirements of the Corporation.

The Board considers succession planning and management development to be an ongoing process, including annual reports to the Board by the Chief Executive Officer. The Chief Executive Officer's views as to a successor in the event of unexpected incapacity should be discussed regularly with the Board, which will be factored into the succession plan for the Chief Executive Officer.

### **Communications**

It is critical that the Corporation maintain effective communications with other parties, particularly shareholders, regulatory authorities and the public. The Board generally feels that it is the function of management to speak for the Corporation in its communications with other parties, but the Board acknowledges that it is responsible for oversight of the Corporation's communications and maintenance of effective communication. In this regard its responsibilities will include:

1. Ensuring the Corporation has in place effective, productive and appropriate communication processes, particularly with shareholders, regulatory authorities and the public.

2. Ensuring that the financial performance of the Corporation is accurately and fairly reported to shareholders and regulatory authorities on a timely and regular basis, and in accordance with generally accepted accounting principles.
3. Ensuring the timely reporting of any developments that have a significant and material impact on the Corporation, the value of its securities or its financial position.
4. Reporting annually to shareholders on the Board's stewardship for the preceding year (generally, via the Corporation's Annual Report).
5. Ensuring the Corporation has in place systems that accommodate feedback from shareholders, including a process which enables shareholders to directly contact the Board Chair or Lead Director, as the case may be, and the independent directors.
6. Reviewing and approving the content of the Corporation's major communications to shareholders and the investing public, including the Annual Report, the Management Information Circular, the Annual Information Form and any prospectuses that may be issued.

### **Financial and Corporate Issues**

The Board is responsible for overseeing and resolving financial and corporate issues as they arise. This will include:

1. Directing management to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
2. Approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated.
3. Monitoring operating and financial performance relative to budgets and objectives.
4. Directing management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards.
5. Reviewing significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).
6. Overseeing the implementation and ongoing quality and integrity of the Corporation's accounting and financial reporting systems, management information systems and internal controls.
7. Reviewing operational and financial performance.
8. Approving annual and quarterly financial statements and management's discussion and analysis and approving the release thereof by management, however, the approval of quarterly financial statements and management's discussion and analysis and the release thereof by management may be delegated to the Audit Committee.

9. Approving material agreements and other documents.
10. Declaring dividends.
11. Approving financings, including the issue and repurchase of shares and other securities, issue of debt securities, listing of shares and other securities.
12. Recommending changes to the Corporation's authorized share capital.
13. Recommending to shareholders the appointment of external auditors and approving auditors' fees.
14. Approving the commencement or settlement of litigation that may have a material impact on the Corporation.

### **Evaluation of the Chief Executive Officer**

Annual assessment of the Chief Executive Officer's performance and compensation will generally be delegated to the Compensation Committee.

### **Board Size and Composition**

The Board is committed to reviewing its size regularly and will seek to maintain the number of directors which is appropriate for the size and complexity of the Corporation and sufficient to provide an appropriate mix of backgrounds and skills for the stewardship of the Corporation. In general, the Board believes smaller boards are more cohesive and work more effectively than larger boards.

In the Board's view, there is no implication that a non-independent director makes less of a contribution to the Corporation than an independent director or that a non-independent director cannot or does not act independently or in the best interests of the Corporation. However, any director who is an independent director and whose circumstances change such that he or she might be considered to be a non-independent director must promptly advise the Board of the change in circumstances. The determination of which directors are non-independent and independent will be delegated to the Corporate Governance/Nominating Committee.

At all meetings of the Board every question will be decided by a majority of the votes cast. In case of an equality of votes, the Chair will not be entitled to a second, or casting, vote.

### **Criteria for Board Membership**

The Corporate Governance/Nominating Committee will annually review the general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way that provides the best mix of skills and experience to guide the long term strategy and ongoing business operations of the Corporation. This review will take into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation.

### **Selection of New Directors**

The Board, with the assistance of the Corporate Governance/Nominating Committee, is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders.

The Corporate Governance/Nominating Committee has the responsibility of gathering the names of potential nominees, screening their qualifications against the current skill and experience needs of the Board and making recommendations to the full Board. All directors are encouraged to identify potential candidates to the Corporate Governance/Nominating Committee.

### **Directors Who Change Their Present Job Responsibilities**

A director, including any related director, who has a major change in principal occupation will offer to resign from the Board, which offer will then be considered by the Board. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board, however, the Board feels that there should be an opportunity for the Board to review the continued appropriateness of Board membership under such circumstances.

### **Director Retirement Age**

There is no retirement policy for directors.

### **Board Meetings and Agendas**

The Board will meet a minimum of four times per year, at least once every quarter, and may call special meetings as required.

The Chair, in conjunction with the Chief Executive Officer and Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, the agenda and materials for the meeting will be distributed to directors not less than three business days before the meeting. All directors are free to suggest additions to the agenda.

### **Meetings of Independent Directors**

At the end of each Board meeting, the independent directors will meet without the non-independent directors and management being present. This will provide the independent directors with an opportunity to raise and discuss issues that they did not wish to discuss with management present and ensure that the Board functions effectively and independently of management.

### **Board Information**

Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings will briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

### **Non-Directors at Board Meetings**

The Board appreciates the value of having certain non-directors, including senior members of management or experts and consultants attend Board meetings when necessary to provide information and opinions to assist the directors in their deliberations.

The Chair will determine which non-directors will attend Board meetings, and for which agenda items.

### **Committees**

Committees are struck and disbanded at the discretion of the Board, and notwithstanding the Charter or mandate of any committee, the members of a committee will hold such office at the pleasure of the Board.

Committees analyze in greater depth policies and strategies developed by management, which are consistent with their Charter. They examine proposals and, where appropriate, make recommendations to the full Board. A committee will operate in accordance with a Board approved written mandate outlining its duties and responsibilities, and will not take action or make decisions on behalf of the Board unless specifically mandated to do so.

Each committee will undertake a comprehensive review of its Charter each year. In addition, each year the Board will review the Charter for all committees to ensure that together they meet the needs of the Corporation, and will recommend the addition or deletion of committees as necessary.

### **Board Contact with Senior Management**

All of the directors have open access to senior management of the Corporation. The Board also encourages individual directors to make themselves available for consultation with senior management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special knowledge and experience.

Written communications from directors to members of senior management will be copied to the Chief Executive Officer.

The Board will conduct periodic review of its relationship with senior management of the Corporation.

### **New Director Orientation**

New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the role of the Board and its committees, the contribution individual directors are expected to make, the business and operations of the Corporation, documents from recent Board meetings and opportunities for

meetings and discussion with senior management and other directors. The details of the orientation of each new director will be tailored to that director's individual needs and areas of interest.

### **Continuing Education**

Continuing education opportunities will be provided for directors, so that directors may maintain or enhance their skills and abilities as directors and ensure their knowledge and understanding of the Corporation's business remains current. This will include opportunities for directors to visit the Corporation's various project sites on a regular basis.

### **Assessing the Board's Performance**

The Corporate Governance/Nominating Committee will be responsible for carrying out a review and assessment of the overall performance and effectiveness of the Board, its committees and the contributions of individual directors on an annual basis. The objective of this review will be to facilitate a continuous improvement in the Board's execution of its responsibilities.

### **Director Compensation**

The Compensation Committee will review the compensation of the directors each year and will make recommendations to the Board for consideration when it believes changes in compensation are warranted.

### **Limits to Management Authority**

From time to time, the Board may establish limits on management's authority dependant on the nature and size of proposed transactions. These limits will permit some flexibility within approved budgets, but otherwise must not be exceeded without Board approval.

### **Oversight of Corporate Governance Practices**

The Corporate Governance/Nominating Committee will be responsible for conducting periodic reviews of the Corporation's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness.

The Board will review the disclosure of the Corporation's corporate governance practices in any documents in which such disclosure is included.

### **Outside Advisors for Individual Directors**

Occasionally individual directors may need the services of an advisor to assist on matters involving their responsibilities as a Board member. The Board has determined that any director who wishes to engage an outside advisor at the expense of the Corporation will first obtain the authorization of the Chair or the Corporate Governance/Nominating Committee, unless such authorization is expressly permitted by the Charter for the relevant committee of which such director is a member.

### **Access to Chair and Independent Directors**

Security holders and other interested parties may communicate directly with the Chair and the independent directors as a group. Communications should be sent to the Chair by regular mail (or other means of delivery) to the corporate headquarters address of the Corporation in a sealed envelope marked “Private and Strictly Confidential – Attention: Chair of the Board of Directors of Plutonic Power Corporation.” Any such envelope will be delivered unopened to the Chair.

### **General Legal Obligations**

The Corporation is governed by the British Columbia *Business Corporations Act* (“BCBCA”), which also contains a number of provisions applicable to the Board’s responsibilities. These include:

1. A duty to manage or supervise the management of the business and affairs of the Corporation (BCBCA s.136(1)).
2. A duty to act honestly and in good faith with a view to the best interests of the Corporation (BCBCA s.142(1)(a)).
3. A duty to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (BCBCA s.142(1)(b)).

## **GUIDELINES FOR INDIVIDUAL DIRECTORS**

### **General**

As a member of the Board, a director will fulfill the requirements and obligations of a director, which includes a comprehensive understanding of his or her statutory and fiduciary roles. Each director will be responsible for providing constructive counsel to, and oversight of, management of the Corporation, in a manner consistent with his or her statutory and fiduciary roles. A director will also represent the interests of all shareholders in the governance of the Corporation, ensuring that the best interests of the Corporation are paramount, and participate in the review and approval of Corporation policies and strategy and in monitoring the implementation thereof.

Guidelines to help directors meet these goals and objectives are set out below.

### **Board Activity**

As a member of the Board, a director will:

1. Act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
2. Exercise good judgment and act with integrity and the highest personal and professional standards and ethics.
3. Comply with the Corporation's Code of Business Conduct and Ethics.
4. Advance the interest of the Corporation and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Corporation.
5. Have an inquisitive and objective perspective and demonstrate practical wisdom and mature judgment.
6. Use his or her abilities, experience and influence constructively.
7. Devote the time necessary to fulfill his or her role as a director and be an available resource to management and the Board.
8. Respect and maintain confidentiality with respect to all information he or she receives as a director.
9. Advise the Chair or Chief Executive Officer when he or she plans to introduce significant or previously unknown information or material at a Board meeting.
10. Understand the difference between governing and managing, and not encroach on management's area of responsibility.

11. Identify potential conflict areas — real or perceived — and ensure they are appropriately identified and reviewed. In this regard, a director will promptly report all actual, potential or perceived conflicts of interest to the Chair of the Board or the Chair of the Corporate Governance//Nominating Committee. If a director is in doubt as to whether or not there is a conflict, it should be reported. A director will not participate in directors' discussions, deliberations or decision making regarding any conflicts relating to the director.
12. When appropriate, communicate with the Chair or Chief Executive Officer between meetings.
13. Demonstrate a willingness and availability for one on one consultation with the Chair or Chief Executive Officer.
14. Assist in evaluating the Chief Executive Officer and Corporation's performance as required from time to time.
15. Assist in maximizing shareholder value.

### **Preparation and Attendance**

To enhance the effectiveness of Board and Board committee meetings, a director will prepare for meetings by reading any reports and background materials which have been prepared and have acquired adequate information necessary for decision-making.

A director will maintain an excellent Board and committee meeting attendance record. A director's attendance record will be disclosed annually, generally in the information circular for the Corporation's annual general meeting. Attendance at less than 80% of Board and committee meetings will be a cause for concern, and will be reviewed by the Corporate Governance/Nominating Committee.

### **Communication**

Communication is fundamental to Board effectiveness. A director will participate fully and frankly in the deliberations and discussions of the Board and encourage free and open discussion of the affairs of the Corporation by the Board. Probing questions should be asked, in an appropriate manner and at proper times, with a focus on issues related to strategy, policy, implementation and results rather than issues relating to the day-to-day management of the Corporation.

### **Independence**

Recognizing that the cohesiveness of the Board is an important element in its effectiveness, a director will speak and act independently from the other directors but be a positive force with a demonstrated interest in the long-term success of the Corporation.

### **Committee Work**

In order to assist Board committees in being effective and productive, a director will participate on committees as required and become knowledgeable with the purpose and goals of such committees. A director will understand the process of committee work and the role of management and staff in supporting the committee.

### **Business, Corporation and Industry Knowledge**

Recognizing that decisions can only be made by well informed Board members, a director will become knowledgeable about the Corporation's business and industry. This will entail being knowledgeable about the Corporation's facilities, including visits to them when appropriate, and maintaining an understanding of the regulatory, legislative, business, social and political environments within which the Corporation operates. A director will become acquainted with the officers of the Corporation, and be an effective ambassador and representative of the Corporation.

### **Restriction on Trading in Securities of the Corporation**

A director will not trade in any securities of the Corporation while in possession of material information that has not previously been disclosed to the public, or during "blackout periods" imposed by the Corporation from time to time. Furthermore, a director will not "tip" others during such circumstances so as to allow others to benefit from undisclosed material information.

## **TERMS OF REFERENCE FOR THE BOARD CHAIR**

### **General**

The Board has ultimate responsibility for management of the Corporation. Critical to meeting this responsibility are the relationships between the Board and management, shareholders and individual directors. To facilitate and manage these relationships the Board will annually elect a chair (the “Chair”) from among its members. The Board may remove and replace the Chair at any time.

The Chair will be an independent director, however the Board is prepared to consider exceptions to this requirement if it considers it to be in the best interests of the Corporation to do so. If the elected Chair is not independent, the independent directors will select from among themselves a Lead Director, who will chair regular meetings of the independent directors and carry out such other duties as the independent directors may from time to time determine.

The Chair, as the presiding Board member, will act to ensure that the relationships between the Board and management, shareholders and individual directors remain effective and efficient. In performing this role, the Chair must work with the Chief Executive Officer, manage the Board and, together with the Chief Executive Officer, ensure effective relations with shareholders.

The Chair will provide assistance on major corporate policy issues such as acquisitions, divestitures, and new strategic initiatives, and also assist in representing the Corporation at senior levels of industry or government to promote specific corporate objectives.

While working closely with the Chief Executive Officer, the Chair will at all times retain an independent perspective to best represent the interests of the Corporation’s shareholders and the directors.

The Chair will set the “tone” for the Board, so as to foster ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance.

### **Working with Management**

The Chair should act as the principal sounding board and counsellor for the Chief Executive Officer. This will include assisting in the definition of problems, reviewing strategy, maintaining accountability, building relationships and ensuring the Chief Executive Officer is aware of concerns of the Board and shareholders.

The Chair will ensure the Board monitors and evaluates the performance of the Chief Executive Officer. The Chair will also coordinate with the Chief Executive Officer to ensure that management strategy, plans and performance are appropriately represented to the Board and shareholders.

### **Specific Duties**

The specific duties of the Chair will include the following:

1. Ensure that the Board is organized properly, functions effectively, has full governance of the Corporation's business and affairs and is alert to its obligations to the Corporation, shareholders and management.
2. Ensure that directors understand the boundaries between the Board and management responsibilities.
3. Provide strong leadership to the Board to assist it in effectively carrying out its duties and responsibilities, and assist the Board in reviewing and monitoring the aims, strategy, policy and directions of the Corporation.
4. Provide advice and counsel to the Chief Executive Officer and other senior members of management.
5. Communicate with the Board to keep it up to date on all major developments and avoid surprises, through timely discussion of potential developments. In conjunction with management, the Chair will ensure the Board receives any data it requests and has sufficient knowledge to permit it to comfortably and properly make decisions when such decisions are required.
6. In conjunction with management of the Corporation, set the frequency and schedule of Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board.
7. Coordinate the agenda, information packages and related events for Board meetings with the Chief Executive Officer and the Corporate Secretary.
8. Chair and conduct Board meetings in an efficient, effective and focused manner, and in so doing ensure that all business required to come before a meeting is brought before the meeting to be discussed and resolved.
9. In conjunction with the Chief Executive Officer, recommend which committees of the Board should be struck, review the need for and the performance and suitability of those committees and make such adjustments as deemed necessary from time to time. In conjunction with the Corporate Governance/Nominating Committee, identify qualified candidates for appointment to Board committees. The Chair will also assist Board committees as and when requested by such committees.
10. Maintain a liaison and communication with all directors and Board committee chairs to coordinate input from directors and optimize the effectiveness of the Board and its committees.
11. Annually review and assess director attendance, performance and compensation and the size and composition of the Board, all in conjunction with any relevant committees of the Board.
12. Ensure that shareholders meet at least once annually and as many additional times as may be required by law, chair and conduct shareholder meetings in an efficient, effective and

focused manner, and in so doing ensure that all business required to come before a meeting of shareholders is brought before a meeting of shareholders.

13. Ensure that mandates and/or position descriptions are in place and updated regularly for the Board, any committees which have been struck, the Chair and the Chief Executive Officer.
14. Ensure that the Board has the opportunity to meet separately with the Chief Executive Officer and no other management present and separately without any management present, at regular intervals,

## **TERMS OF REFERENCE FOR THE CHIEF EXECUTIVE OFFICER**

### **General**

The Chief Executive Officer will be appointed by the Board on such terms as the Board sees fit, and will report to the Board.

The Chief Executive Officer's fundamental responsibility is the general direction and management of the business and affairs of the Corporation in accordance with the corporate strategy and objectives approved by the Board.

The Chief Executive Officer's primary responsibilities include providing overall leadership and vision in developing, in concert with the Board, the Corporation's strategic direction, providing overall leadership and vision in developing the business plans necessary to realize corporate objectives and managing the overall business of the Corporation to ensure strategic and business plans are effectively implemented, the results are monitored and reported to the Board, and financial and operational objectives are attained.

Guidelines to help the Chief Executive Officer meet these goals and objectives are set out below.

### **Corporate Strategy & Objectives**

The Chief Executive Officer will develop and execute, in conjunction with and subject to Board approval, a corporate strategy designed to achieve sustained, profitable growth with an objective of maximizing shareholder value, taking into account, among other things, the opportunities and risks of the business. The Chief Executive Officer will also work with the Board in establishing a set of annual corporate objectives.

### **Leadership**

The Chief Executive Officer will be responsible for exercising leadership in the following areas, which leadership will include the indicated responsibilities.

#### *Strategic Leadership*

1. Formulate and recommend goals, strategies, and objectives to the Board that ensure the maximization of shareholder value and the long-term success of the Corporation.
2. Lead and manage the Corporation within parameters established by the Board and relevant committees.
3. Review and report regularly to the Board concerning the Corporation's progress towards its goals and all material deviations from the goals, strategies, and objectives approved by the Board, including updating and making changes as required, and involving the Board in the early stages of developing strategy.
4. Implement the capital and operating plans that support the strategic plan.

5. Identify the principal risks of the Corporation's business and implement appropriate systems to manage these risks.
6. Keep the Board fully informed of all significant operational, financial, and other matters relevant to the Corporation, including legal, regulatory, and governmental policy developments.

#### *Financial Leadership*

1. Develop annual capital commitment and expenditure budgets for approval by the Board.
2. Develop annual operating forecasts of revenue, expenditures, operational results, and financial performance. For clarification purposes, it is intended that these forecasts will serve as operating and financial guidelines and will not require Board approval, except for those components specifically used in setting objectives for compensation purposes.
3. Authorize the commitment of funds to capital projects included in budgets approved by the Board or within the spending levels approved by the Board.
4. Authorize commitment of corporate resources, including contracts, transactions and arrangements in the ordinary course of business, in order to pursue the approved strategies, business plans, and objectives of the Corporation, provided, however, that major commitments, exposures, and risks are reported to the Board on a regular and timely basis.
5. Take reasonable steps to ensure that the Corporation's assets are adequately safeguarded and optimized in the best interests of the shareholders.

#### *Administrative Leadership*

1. Develop and maintain a sound, effective organizational structure.
2. Ensure that all members of the organization have their responsibilities and authorities clearly established.
3. Establish and maintain a plan for senior management development and succession.
4. Provide the Board with exposure to the Corporation's key management and other employees who have the potential to become members of senior management.

#### *Public Leadership*

1. Ensure that effective communications and appropriate relationships are maintained with the shareholders of the Corporation and other stakeholders.
2. Maintain or cause to be maintained such industry, governmental, public, or other external relationships as are deemed advisable and in the interests of the Corporation.
3. Manage and oversee the required interaction between the Corporation and the public and act as the principal spokesperson for the Corporation.

*Compliance Leadership*

1. Establish effective control and coordination mechanisms for all operations and activities, and take reasonable steps to ensure the integrity of the internal control and management information systems.
2. Take reasonable steps to ensure the safe, efficient operation of the Corporation and to ensure compliance with the Corporation's environmental, health and safety policies, procedures and practices.
3. Ensure that all operations and activities of the Corporation are conducted in accordance with applicable laws, the Corporation's Code of Business Conduct and Ethics, sound business practices and the other policies and practices approved by the Board.
4. Foster a high performance corporate culture that promotes ethical practices and encourages individual integrity, accountability, and social responsibility.

## **CHARTER FOR THE AUDIT COMMITTEE**

### **General**

Primary responsibility for the Corporation's financial reporting obligations, information systems, financial information disclosure, risk management and internal controls is vested in management and overseen by the Board.

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities. This will include monitoring the quality and integrity of the Corporation's financial statements and related disclosure, the Corporation's compliance with legal and regulatory requirements that could have a material effect upon the financial position of the Corporation, the independence, qualifications and performance of the Corporation's external auditor, acting as a liaison between the Board and the Corporation's auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

### **Composition and Process**

1. The Audit Committee will be comprised of a minimum of three directors. All of the members of the Audit Committee will be independent, as that term is defined in Multilateral Instrument 52 – 110 *Audit Committees*, unless otherwise exempted by MI 52 - 110.
2. Audit Committee members will be appointed by the Board on an annual basis at the time of the Corporation's annual general meeting of shareholders, and will hold office until the next annual general meeting, or until they are removed by the Board or they cease to be directors. An Audit Committee member may serve any number of consecutive terms, which is encouraged to ensure continuity of experience. Vacancies on the Audit Committee will be filled by the Board. The Board may remove and replace any member of the Audit Committee.
3. All members of the Audit Committee will be financially literate, with financial literacy being the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
4. The Chair of the Audit Committee will be appointed by the Board, and may be removed and replaced by the Board. The Audit Committee Chair may serve as chair for any number of consecutive terms. The Audit Committee Chair will arrange for an alternate chair if he or she is planning to be absent.
5. The Audit Committee Chair will, in consultation with management, the external auditor and internal auditor (if any), establish the agenda for Audit Committee meetings and ensure that properly prepared agenda materials are circulated to the members with

sufficient time for review prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The external auditor will be entitled to attend and speak at each meeting of the Audit Committee concerning the Corporation's annual audited financial statements, and any other meeting at which the Audit Committee feels it is necessary or appropriate. If the external auditor is present at a meeting of the Audit Committee, the Audit Committee will also meet separately with the external auditor without management present. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

6. The Audit Committee will meet a minimum of four times per year, at least once per quarter, and any member may call a special meeting as required. The Audit Committee will be entitled to meet without management present, but the Audit Committee may also request that members of management and the internal auditor attend an Audit Committee meeting. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference call.
7. Notice of the time and place of an Audit Committee meeting will be given in writing or by email or facsimile communication to each member of the Audit Committee and the external auditor at least 24 hours in advance of the time fixed for the meeting. An Audit Committee member may waive notice of a meeting and the attendance of a member at a meeting is a waiver of notice of the meeting.
8. A quorum at meetings of the Audit Committee will be a majority of its members if comprised of an odd number of members and one half of its members if comprised of an even number of members. If within one half hour of the time appointed for a meeting of the Audit Committee a quorum is not present, the meeting will stand adjourned to the same time and place on the next business day following the date of such meeting. If within one half hour of the time appointed for such adjourned meeting a quorum as hereinbefore specified is not present, the members then present will constitute a quorum for the purposes of the adjourned meeting.
9. At all meetings of the Audit Committee every question will be decided by a majority of the votes cast. In case of an equality of votes, the Audit Committee Chair will not be entitled to a second, or casting, vote.
10. The minutes of Audit Committee meetings will accurately record the decisions reached and will be distributed to Audit Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor. Without limitation, the Audit Committee will report to the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements within the Audit Committee's purview, the performance and independence of the Corporation's external auditor or the performance of the internal auditor.

#### **Authority**

1. The Audit Committee will have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

2. The Audit Committee will have direct communication channels with the external auditor and internal auditor (if any).
3. The Audit Committee will have the authority to retain (or terminate) any outside counsel, advisors or consultants it determines necessary to assist it in discharging its functions, independently of the Board, Chair or Chief Executive Officer. The Audit Committee will be provided with the necessary funding to compensate any counsel, advisors or consultants it retains.
4. The Audit Committee will enquire about potential claims, assessments and other contingent liabilities.
5. The Audit Committee will periodically review with management the Corporation's depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
6. The Audit Committee will, through the Audit Committee Chair, report to the Board following each meeting on the major discussions and decisions made by the Audit Committee, and will report annually to the Board on the Audit Committee's responsibilities and how it has discharged them.

### **Relationship with External Auditor**

The Audit Committee will be directly responsible for the retention, subject to Board and shareholder approval, and oversight of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and for the resolution of any disagreements which may arise between management and the external auditor regarding financial reporting. The external auditor will report directly to the Audit Committee. This will include, without limitation, the Audit Committee doing the following:

1. Establishing effective communication processes with management and the external auditor so it can objectively monitor the quality and effectiveness of the external auditor's relationship with the Audit Committee and management.
2. Reviewing and discussing with the external auditor, at least annually, any disclosed relationships or services that may impact the objectivity and independence of the external auditor and, if necessary, obtaining a formal written statement from the external auditor setting forth all relationships between the external auditor and the Corporation.
3. Taking, or recommending that the Board take, appropriate action to ensure the independence of the external auditor. This may include considering the rotation of the external auditor, or the rotation of the lead audit partner of the external auditor who has primary responsibility for the audit.
4. Recommending to the Board:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
  - (b) the compensation of the external auditor.
- 5. Reviewing and evaluating annually the performance of the external auditor, taking into account the opinions of management and the internal auditor, and reporting to the Board its conclusions regarding the external auditor and its recommendation for appointment of the external auditor. This should include a review and evaluation of the experience, qualifications and performance of the members of the external auditor's audit team.
- 6. Unless otherwise permitted by MI 52-110 *Audit Committees*, pre-approving all non-audit services to be provided by the external auditor, together with estimated fees, and considering the impact, if any, on the independence of the external auditor. The Audit Committee may delegate to one or more of its independent members the authority to pre-approve non-audit services, but no such delegation may be made to management of the Corporation. The pre-approval of non-audit services by any independent member of the Audit Committee to whom such authority has been granted must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. Non-audit services will include, without limitation, the following:
  - (a) Bookkeeping or other services related to the Corporation's accounting records or financial statements.
  - (b) Financial information systems design and implementation.
  - (c) Appraisal or valuation services, fairness opinions or contributions-in-kind reports.
  - (d) Actuarial services.
  - (e) Internal audit outsourcing services.
  - (f) Management functions.
  - (g) Human resources.
  - (h) Broker or dealer, investment adviser or investment banking services.
  - (i) Legal services.
  - (j) Expert services unrelated to the audit, including tax planning and consulting.
- 7. Meeting with the external auditor on a regular basis independent of management. This should include a meeting prior to the annual audit to review the planning and staffing of the audit, and meeting as required to review any problems or difficulties that the external auditor may have encountered and management's response thereto.
- 8. Meeting with the chief financial officer of the Corporation on a regular basis independent of the rest of management.

9. Reviewing with the external auditor the adequacy and appropriateness of the accounting policies used in the preparation of the Corporation's financial statements.
10. Inquiring regularly of management and the external auditor whether there have been any significant issues between them regarding financial reporting or other matters and how they have been resolved, and facilitate a resolution, if required.
11. Reviewing, finalizing and signing the engagement letter with the external auditor with respect to conducting the annual audit.

### **Relationship with Internal Auditor**

If the Corporation has an internal auditor, the Audit Committee's responsibilities with respect to the internal auditor will include the following:

1. A review of:
  - (a) The internal auditor's terms of reference.
  - (b) The plan and budget for preparation of the internal audit, including financial and operational activities.
  - (c) Material reports issued by the internal auditor and management's response to those reports.
2. Approval of the reporting relationship of the internal auditor to ensure appropriate segregation of duties is maintained and the internal auditor has direct access to the Audit Committee.
3. Ensuring the internal auditor's involvement with financial reporting is coordinated with the activities of the external auditor.
4. If no internal audit function exists, regularly reviewing the need for such a function.

### **Accounting Systems, Internal Controls and Procedures**

The Audit Committee will ensure that the Corporation's accounting systems are reliable and that the prescribed internal controls and procedures are operating effectively for the Corporation, its subsidiaries and affiliates. This will include, without limitation, the Audit Committee doing the following:

1. Discussing with and receiving reports from management and the external auditor on the status and effectiveness of the Corporation's accounting systems and prescribed internal controls and procedures.
2. Reviewing and considering any recommendations made by the external auditor, together with management's response, and the extent to which recommendations made by the external auditor have been implemented.

3. Ensuring that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures.
4. Reviewing and discussing with management and the external auditor the clarity and completeness of the Corporation's financial and non-financial disclosures made pursuant to applicable continuous disclosure requirements.
5. Reviewing and discussing with management and the external auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
6. Reviewing and discussing with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
7. Reviewing with the external auditor the quality of the Corporation's generally accepted accounting principles and directing the external auditor's examinations to particular areas.
8. Discussing with management and the external auditor the Corporation's underlying accounting policies and key estimates and judgments to ensure they are considered to be the most appropriate in the circumstances, within the range of acceptable options and alternatives.
9. Reviewing the procedures of the internal and external auditors to ensure the combined evaluating and testing of the Corporation's controls are comprehensive, well coordinated, cost effective and appropriate to relevant risks and business activities.
10. Reviewing all control weaknesses and deviations identified by management, the internal auditor or the external auditor together with management's response, and reviewing with the external auditor their opinion of the qualifications and performance of the key financial and accounting executives.
11. Reviewing and discussing with management and the external auditor any proposed changes in major accounting policies and the financial impact thereof, and from time to time benchmarking the Corporation's accounting policies to those followed in its industry.
12. Reviewing and discussing with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including without limitation reviewing:
  - (a) The appetite for financial risk as set forth by management and the Board.
  - (b) The Corporation's policies for the management of significant financial risk.

- (c) Management's assessment of the significant financial risks facing the Corporation.
  - (d) Management's plans, processes and programs to manage and control financial risk.
13. Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation. The Corporation's policies in this regard are attached as Schedule A to the Audit Committee Charter.
  14. Reviewing the Corporation's insurance policies, including directors' and officers' coverage, and making recommendations to the Board.
  15. Establishing a periodic review procedure to ensure that the external auditor complies with the Canadian Public Accountability Regime under Multilateral Instrument 52 – 108 *Auditor Oversight*.

### **Financial Disclosure Responsibilities**

The Audit Committee will review, discuss with management and/or, when it deems appropriate, the external auditor, and make recommendations on, prior to presentation to the Board for approval and the Corporation's dissemination to the public, all material financial information required to be disclosed by the Corporation. In fulfilling this responsibility, the Audit Committee will, without limitation, review and discuss with management and/or, when it deems appropriate, the external auditor:

1. The Corporation's annual and quarterly financial statements (including those of any subsidiaries and affiliates of the Corporation), management discussion and analysis and news releases, disclosing financial results and any prospectus, annual information form, offering memorandum or other disclosure documents containing financial information extracted or derived from its financial statements.
2. The Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Disclosures made to the Audit Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

### **Other Responsibilities**

1. Review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material

2. Investigate fraud, illegal acts or conflicts of interest, and the Audit Committee will obtain from management, at least annually, regular reports on fraud, illegal acts and conflicts of interest.
3. Discuss selected issues with legal counsel, the external auditor or management, or conduct special reviews or other assignments from time to time as requested by the Board, or by management with the Board's approval.
4. Review loans made by the Corporation to its directors, officers, employees and consultants.
5. The Audit Committee will review and assess its effectiveness, contribution and this Charter annually and recommend any proposed changes thereto to the Board.

**Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters  
("Whistleblower" Procedures)**

The Audit Committee is responsible for establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. In this policy, "complaint" means any adverse information provided to the Corporation, whether in the form of a concern, a demand for remedial action or a report of a suspected violation of law or Corporation policy, that relates to the Corporation's accounting, internal accounting controls or auditing matters.

The Audit Committee will appoint a person, independent of the financial reporting function, to be designated as the Corporation's Complaints Officer, to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters. The Audit Committee will inform all employees, at least annually, as to who the Complaints Officer is. Unless otherwise designated by the Audit Committee, the Complaints Officer will be the Corporation's Vice-President, Legal Affairs.

Employees are free to bring complaints to the attention of their supervisors, the Corporation's Human Resources Department or its Legal Department, as they would any other workplace concern. The recipients of such complaints will promptly forward them to the Chair of the Audit Committee and to the Complaints Officer.

Complaints can also be submitted confidentially or anonymously by employee complainants through the interoffice mail (or regular mail or other means of delivery, addressed to the corporate headquarters address of the Corporation) in a sealed envelope marked "Private and Strictly Confidential – Attention: Chair of the Audit Committee of Plutonic Power Corporation". Any such envelopes will be forwarded unopened to the Chair of the Audit Committee.

Non-employees may submit complaints by mail (or other means of delivery) to the corporate headquarters address of the Corporation, either addressed to any officer of the Corporation (who are identified on the Corporation's external website) or marked "Private and Strictly Confidential – Attention: Chair of the Audit Committee of Plutonic Power Corporation". Any such envelopes will be forwarded unopened to the Chair of the Audit Committee. These procedures will be posted on the Corporation's external website.

Records pertaining to a complaint are the property of the Corporation and will be retained in compliance with applicable laws and document retention policies, subject to safeguards that ensure their confidentiality, and, when applicable, the anonymity of the person making the complaint.

Although a person making an anonymous complaint may be advised that maintaining anonymity could hinder an effective investigation, any complaints or submissions received and the identity of employees making complaints or submissions will be kept confidential and only communicated to the Complaints Officer, the Chair of the Audit Committee and the Audit Committee. Anonymity will be maintained until the person indicates that he or she no longer wishes to remain anonymous. Any system established for exchanging information with a complainant will be designed so as to maintain anonymity.

The Chair of the Audit Committee will inform the Audit Committee, in summary form or otherwise, of all complaints received, with an initial assessment as to the appropriate treatment of each complaint. Assessment, investigation, and evaluation of complaints will be conducted by, or at the direction of, the Audit Committee or the Complaints Officer. If the Audit Committee deems it appropriate, the Audit Committee may engage at the Corporation's expense independent advisors, such as outside counsel and accountants unaffiliated with the Corporation's auditor.

Following investigation and evaluation of a complaint, the Chair of the Audit Committee will report to the Audit Committee on recommended disciplinary or remedial action, if any. The action determined by the Audit Committee to be appropriate under the circumstances will then be brought to the Board or to the appropriate members of senior management of the Corporation for authorization or implementation, respectively. If the action taken to resolve a complaint is deemed by the Audit Committee to be material or otherwise appropriate for inclusion in the minutes of the meetings of the Audit Committee, it will be so noted in the minutes.

Any effort to retaliate against any person making a complaint in good faith is strictly prohibited and will be reported immediately to the Chair of the Audit Committee or the Complaints Officer.

## SCHEDULE A

### **Hiring Policies Regarding Partners and Employees of the External Auditor and Certain of Their Family Members**

In the following circumstances, the hiring of current partners and employees or former partners and employees of the Corporation's external auditor or certain family members of persons employed by the external auditor will be subject to Audit Committee approval in advance of hiring:

- (a) The hiring, for any position within the Corporation, of anyone who has served as a partner or employee of the external auditor and who was a member of the Corporation's audit team during any of the preceding three fiscal years;
- (b) The hiring, for a senior position within the Corporation (including any accounting or financial reporting oversight role), of anyone who (i) has served as a partner or employee of the external auditor during any of the preceding three fiscal years, regardless of whether that person was a member of the Corporation's audit team, or (ii) has served as a partner or employee of the external auditor and (A) continues to influence the external auditor's operations or financial policies, (B) has capital balances in the external auditor, or (C) has financial arrangements with the external auditor other than a fully funded retirement plan providing for the regular payment of fixed sums; or
- (c) The hiring, for any accounting or financial reporting oversight role within the Corporation, of the spouse or spousal equivalent, parent, dependent, non-dependent child, or sibling of anyone who, during any of the preceding three fiscal years, has served as a partner or employee of the external auditor and who (i) was a member of the Corporation's audit team, (ii) supervised or had direct management responsibility for the audit (including at all successively senior levels through the external auditor's chief executive), (iii) evaluated the performance or recommended the compensation of the audit engagement partner, (iv) provided quality control or other oversight of the audit, (v) provided 10 or more hours of non-audit services to the Corporation (or expects so to provide), or (vi) served in the office of the external auditor in which the lead audit engagement partner primarily practiced in connection with the audit.

In considering whether to approve a proposed hiring under any of the foregoing circumstances, the Audit Committee may take into account any advice of counsel to the Corporation that a proposed hiring is not barred by the independence standards applicable to external auditors of issuers of securities listed on the Toronto Stock Exchange.

The Audit Committee will review annually a report by the Chief Financial Officer of the Corporation of any hiring during the preceding fiscal year of partners and employees of the Corporation's external auditor not falling within the foregoing circumstances, including the identity and position within the Corporation of such hired persons.

## **CHARTER FOR THE COMPENSATION COMMITTEE**

### **General**

The Compensation Committee is a committee of the Board to which the Board has delegated its responsibility for oversight of the Corporation's overall human resources policies and procedures. This includes reviewing the adequacy and form of the compensation paid to the Corporation's senior management and key employees to ensure that such compensation realistically reflects the responsibilities and risks of such positions.

The Compensation Committee's objectives are to assist the Board in meeting its responsibilities in respect of overall human resources policies and procedures including recruitment, performance management, compensation, benefit programs, resignation/terminations, training and development, succession planning and organizational planning and design, to ensure a broad plan of senior management compensation is established that is competitive and motivating in order to attract, retain and inspire senior management and other key employees and to review all compensation and benefit policies and proposals for the Corporation's senior management and make recommendations to the Board.

### **Composition and Process**

1. The Compensation Committee will be comprised of a minimum of two directors, and all members of the Compensation Committee will be independent.
2. Compensation Committee members will be appointed by the Board on an annual basis at the time of the Corporation's annual general meeting of shareholders, and will hold office until the next annual general meeting, or until they are removed by the Board or they cease to be directors. A Compensation Committee member may serve any number of consecutive terms, which is encouraged to ensure continuity of experience. Vacancies on the Compensation Committee will be filled by the Board. The Board may remove and replace any member of the Compensation Committee.
3. The Chair of the Compensation Committee will be appointed by the Board, and may be removed and replaced by the Board. The Compensation Committee Chair may serve as chair for any number of consecutive terms. The Compensation Committee Chair will arrange for an alternate chair for a specific meeting if he or she is planning to be absent.
4. The Compensation Committee Chair will establish the agenda for Compensation Committee meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for review prior to the meeting.
5. The Compensation Committee will meet at least twice per year and any member may call a special meeting as required. A quorum at meetings of the Compensation Committee will be a majority of its members, unless there are two or less members in which case it will be one member. The Compensation Committee may hold its meetings, and members of the Compensation Committee may attend meetings, by telephone conference call.

6. Notice of the time and place of a Compensation Committee meeting will be given in writing or by email or facsimile communication to each member of the Compensation Committee at least 24 hours in advance of the time fixed for the meeting. A Compensation Committee member may waive notice of a meeting and the attendance of a member at a meeting is a waiver of notice of the meeting.
7. At all meetings of the Compensation Committee every question will be decided by a majority of the votes cast. In case of an equality of votes, the Compensation Committee Chair will not be entitled to a second, or casting, vote.
8. The minutes of Compensation Committee meetings will accurately record the decisions reached and will be distributed to Compensation Committee members with copies to the Board and the Chief Executive Officer.
9. The Compensation Committee will have the authority to retain (or terminate) any outside counsel, advisors or consultants it determines necessary to assist it in discharging its functions, independently of the Board, Chair or Chief Executive Officer. The Compensation Committee will be provided with the necessary funding to compensate any counsel, advisors or consultants it retains.
10. Other persons, including the Chief Executive Officer and other members of management, may attend and participate in meetings of the Compensation Committee, if invited.

### **Responsibilities**

The Compensation Committee will review compensation policies and make recommendations to the Board, including without limitation on the following matters:

1. Compensation, philosophy, policies and guidelines for senior officers, as well as supervisory and management personnel of the Corporation and any subsidiary companies.
2. Corporate benefits for senior management (i.e. car insurance, life insurance, retirement plan, expense accounts, etc.).
3. Incentive plans, along with global payment information as it applies to senior management bonus and discretionary bonus plans.
4. Review and approval of Corporate goals and objectives relevant to the Chief Executive Officer and other senior management compensation.
5. Evaluation of the performance of the Chief Executive Officer and other senior management in light of corporate goals and objectives and making recommendations with respect to compensation levels based on such evaluations.
6. Policies regarding the Corporation's Incentive Stock Option Plan and the granting of stock options to Directors, management and employees of the Corporation.

7. Policies regarding the development and implementation of incentive compensation plans and equity-based compensation plans.
8. Compensation levels for directors and committee members, including the compensation of the Chair and the Chair of any Board committees, to ensure compensation realistically reflects the responsibilities and risk involved in being an effective director. Compensation should be commensurate with the time spent by directors in meeting their obligations and should be transparent and easy for shareholders to understand.
9. Any material changes in human resources policy, procedure, remuneration and benefits.
10. Review of executive compensation disclosure in all public disclosure documents.
11. The Compensation Committee will review and assess its effectiveness, contribution and this Charter annually and recommend any proposed changes thereto to the Board.
12. Perform any other activities consistent with this Charter, as the Compensation Committee or the Board deems necessary or appropriate.
13. The Compensation Committee will have the authority to delegate any specific tasks to individual Compensation Committee members.

## **CHARTER FOR THE CORPORATE GOVERNANCE/NOMINATING COMMITTEE**

### **General**

The primary function of the Corporate Governance/Nominating Committee is to assist the Board in fulfilling its responsibilities with respect to developing the process and structure used to supervise the business and affairs of the Corporation. As this supervision is carried out by the Board, an integral component of this is identifying and evaluating qualified candidates and recommending such candidates for nomination to the Board and its various committees.

The corporate governance process and structure will define the allocation of authority between the Board and management, with the objective of achieving accountability to the Corporation's shareholders and other stakeholders and thereby enhancing the Corporation's performance and shareholder value.

The Corporate Governance/Nominating Committee is also responsible for setting the criteria to be applied when selecting new directors and considering the relevant attributes that individuals to be put forth as new directors may bring to the Corporation and to the various committees of the Board. This allows the Corporate Governance/Nominating Committee to assist the Board in maintaining a composition which best combines the skills and experience needed for effective stewardship of the Corporation.

### **Composition and Process**

1. The Corporate Governance/Nominating Committee will be comprised of a minimum of two directors. All of the members of the Corporate Governance/Nominating Committee will be non-management directors, and the majority will be independent.
2. Corporate Governance/Nominating Committee members will be appointed by the Board on an annual basis at the time of the Corporation's annual general meeting of shareholders, and will hold office until the next annual general meeting, or until they are removed by the Board or they cease to be directors. A Corporate Governance/Nominating Committee member may serve any number of consecutive terms, which is encouraged to ensure continuity of experience. Vacancies on the Corporate Governance/Nominating Committee will be filled by the Board. The Board may remove and replace any member of the Corporate Governance/Nominating Committee.
3. The Chair of the Corporate Governance/Nominating Committee will be appointed by the Board, and may be removed and replaced by the Board. The Corporate Governance/Nominating Committee Chair may serve as chair for any number of consecutive terms. The Corporate Governance/Nominating Committee Chair will arrange for an alternate chair for a specific meeting if he or she is planning to be absent.
4. The Corporate Governance/Nominating Committee Chair will establish the agenda for Corporate Governance/Nominating Committee meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for review prior to the meeting.

5. The Corporate Governance/Nominating Committee will meet at least once per year and any member may call a special meeting as required. A quorum at meetings of the Corporate Governance/Nominating Committee will be a majority of its members, unless there are two or less members in which case it will be one member. The Corporate Governance/Nominating Committee may hold its meetings, and members of the Corporate Governance/Nominating Committee may attend meetings, by telephone conference call.
6. Notice of the time and place of a Corporate Governance/Nominating Committee meeting will be given in writing or by email or facsimile communication to each member of the Corporate Governance/Nominating Committee at least 24 hours in advance of the time fixed for the meeting. A Corporate Governance/Nominating Committee member may waive notice of a meeting and the attendance of a member at a meeting is a waiver of notice of the meeting.
7. At all meetings of the Corporate Governance/Nominating Committee every question will be decided by a majority of the votes cast. In case of an equality of votes, the Corporate Governance/Nominating Committee Chair will not be entitled to a second, or casting, vote.
8. The minutes of Corporate Governance/Nominating Committee meetings will accurately record the decisions reached and will be distributed to Corporate Governance/Nominating Committee members with copies to the Board and the Chief Executive Officer.
9. The Corporate Governance/Nominating Committee will have the sole authority to retain (or terminate) advisors or consultants as it determines necessary to assist the Corporate Governance/Nominating Committee in discharging its functions hereunder. The Corporate Governance/Nominating Committee will be provided with the necessary funding to compensate the advisors or consultants retained by the Corporate Governance/Nominating Committee.
10. Other persons, including the Chief Executive Officer and other members of management, may attend and participate in meetings of the Corporate Governance/Nominating Committee, if invited.

### **Responsibilities**

The responsibilities of the Corporate Governance/Nominating Committee will include the following:

1. Developing corporate governance policies for the Corporation and conducting periodic reviews of the Corporation's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness.
2. Making recommendations to the Board on corporate governance matters.
3. Developing and recommending to the Board for approval, and periodically reviewing, structures and procedures designed to ensure that the Board can function independently of management.

4. Setting the criteria for selecting new directors.
5. Identifying, assessing and making recommendations to the Board as to qualified candidates for nomination for election to the Board, and Board committees, with a view to the independence and expertise required for effective governance and satisfaction of applicable regulatory requirements, including consideration of nominees recommended by shareholders. In making its recommendations to the Board, the Corporate Governance/Nominating Committee will consider the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, the competencies and skills that the Board considers each existing director to possess, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.
6. Recommending to the Board which directors should serve as chairs of the various Board committees.
7. Reviewing and reporting to the Board on matters relating to the nomination of directors, and in so doing:
  - (a) Develop criteria for selection of directors and procedures to identify possible nominees.
  - (b) Review and assess qualifications of Board nominees.
  - (c) Submit to the Board for consideration and decision names of the nominees to be brought forward to the next annual general meeting of shareholders or to be appointed to fill vacancies in between annual general meetings.
  - (d) Through the Corporate Governance/Nominating Committee Chair, approach nominees.
  - (e) Consider and recommend to the Board appropriate retirement ages of directors.
  - (f) Determine if any director's qualifications or credentials since his or her appointment have changed or other circumstances arisen so as to warrant a recommendation that such director resign.
8. Making recommendations to the Board as to which directors should be classified as independent and which should be classified as non-independent.
9. Acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board. The Corporate Governance/Nominating Committee Chair will be responsible for developing a response to any such concerns.
10. Considering and, from time to time, making recommendations to the full Board as to the appropriate size of the Board, with a view to facilitating effective decision making.

11. Developing for approval by the Board and periodically reviewing orientation and education programs for new directors.
12. Developing for approval by the Board procedures for reviewing and assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director, and then carrying out such reviews and assessments on an annual basis.
13. Performing any other activities consistent with this Charter, as the Corporate Governance/Nominating Committee or the Board deems necessary or appropriate.
14. The Corporate Governance/Nominating Committee will review and assess its effectiveness, contribution and this Charter annually and recommend any proposed changes thereto to the Board.
15. The Corporate Governance/Nominating Committee will have the authority to delegate any specific tasks to individual Corporate Governance/Nominating Committee members.

**CHARTER  
FOR THE  
HEALTH, SAFETY, ENVIRONMENTAL COMMITTEE**

**General**

The Health, Safety, Environmental Committee is a committee of the Board to which the Board has delegated its oversight responsibilities to ensure that the Corporation maintains the integrity of its health and safety policies and that the Corporation's activities are conducted in an environmentally responsible manner. Management is responsible for the development, implementation and monitoring of an environmental management system for the Corporation and the day-to-day responsibility for management of the Corporation's health, safety and environmental affairs. The Health, Safety, Environmental Committee will oversee management's health, safety and environmental decision making, will encourage, assist and counsel management in maintaining and improving health, safety and environmental performance and will refer to the Board any matter likely to require a decision by the Board.

**Composition and Process**

1. The Health, Safety, Environmental Committee will be comprised of a minimum of two directors. All of the members of the Health, Safety, Environmental Committee will be non-management directors, and the majority will be independent.
2. Health, Safety, Environmental Committee members will be appointed by the Board on an annual basis at the time of the Corporation's annual general meeting of shareholders, and will hold office until the next annual general meeting, or until they are removed by the Board or they cease to be a director. A Health, Safety, Environmental Committee member may serve any number of consecutive terms, which is encouraged to ensure continuity of experience. Vacancies on the Health, Safety, Environmental Committee will be filled by the Board. The Board may remove and replace any member of the Health, Safety, Environmental Committee.
3. The Chair of the Health, Safety, Environmental Committee will be appointed by the Board, and may be removed and replaced by the Board. The Health, Safety, Environmental Committee Chair may serve as chair for any number of consecutive terms. The Health, Safety, Environmental Committee Chair will arrange for an alternate chair for a specific meeting if he or she is planning to be absent.
4. The Health, Safety, Environmental Committee Chair will establish the agenda for Health, Safety, Environmental Committee meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for review prior to the meeting.
5. The Health, Safety, Environmental Committee will meet at least once per year and any member may call a special meeting as required. A quorum at meetings of the Health, Safety, Environmental Committee will be a majority of its members, unless there are two or less members in which case it will be one member. The Health, Safety, Environmental Committee may hold its meetings, and members of the Health, Safety, Environmental Committee may attend meetings, by telephone conference call.

6. Notice of the time and place of a Health, Safety, Environmental Committee meeting will be given in writing or by email or facsimile communication to each member of the Health, Safety, Environmental Committee at least 24 hours in advance of the time fixed for the meeting. A Health, Safety, Environmental Committee member may waive notice of a meeting and the attendance of a member at a meeting is a waiver of notice of the meeting.
7. At all meetings of the Health, Safety, Environmental Committee every question will be decided by a majority of the votes cast. In case of an equality of votes, the Health, Safety, Environmental Committee Chair will not be entitled to a second, or casting, vote.
8. The minutes of Health, Safety, Environmental Committee meetings will accurately record the decisions reached and will be distributed to Health, Safety, Environmental Committee members with copies to the Board and the Chief Executive Officer.
9. The Health, Safety, Environmental Committee will have the sole authority to retain (or terminate) advisors or consultants as it determines necessary to assist the Health, Safety, Environmental Committee in discharging its functions hereunder. The Health, Safety, Environmental Committee will be provided with the necessary funding to compensate the advisors or consultants retained by the Health, Safety, Environmental Committee.
10. Other persons, including the Chief Executive Officer and other members of management, may attend and participate in meetings of the Health, Safety, Environmental Committee, if invited.

### **Responsibilities**

The responsibilities of the Health, Safety, Environmental Committee will include the following:

1. Reviewing and evaluating with management the existing health, safety and environmental practices and procedures of the Corporation and its subsidiaries for compliance with applicable law, conformity with industry standards, and prevention or mitigation of losses.
2. Reviewing with management the Corporation's health, safety and environmental policies (or those of its subsidiaries), to benchmark such policies against industry standards and best practices, to ensure that such policies are being effectively implemented.
3. Reviewing the effectiveness of the response by the Corporation or its subsidiaries, as the case may be, to health, safety and environmental issues, including the compliance with statutory and regulatory requirements, and reviewing the Corporation's safety results against industry standards and peers.
4. Reviewing and considering reports and recommendations issued by the Corporation and its subsidiaries or by an external party relating to health, safety and environmental issues, together with management of the Corporation's response thereto.
5. Reviewing with management and making recommendations to the Board as appropriate on the Corporation's health, safety and environmental policies and procedures,

compliance initiatives and any other matters relating to health, safety and the environment it considers relevant.

6. Overseeing the performance of the health and safety program and the environmental management system implemented by management.
7. At least annually, reviewing with management any public policy proposals or regulations relating to health, safety and the environment and consulting with management with respect to the impact and possible application of such policies on the Corporation.
8. At least annually, meeting separately with the senior environmental member of management to review environmental matters that may have a material impact on the Corporation's business or financial results, and reporting to the Board thereon.
9. Reviewing the strategies and methods used to improve the health, safety and environmental performance of the Corporation.
10. Reviewing the risk (including insurable risks) related to health, safety and environmental issues and evaluating cost/insurance benefits associated with those risks.
11. Monitoring current, pending or threatened legal actions by or against the Corporation related to health, safety and environmental matters.
12. Reviewing any significant health, safety or environmental incidents.
13. Reviewing the results of any environmental audits.
14. Overseeing management's response to health, safety and environmental concerns raised by government agencies, employers, neighbors or other concerned parties.
15. Reviewing the methods of communicating the Corporation's health, safety and environmental policies and procedures throughout the organization.
16. Evaluating the performance of management in terms of its fulfilling its responsibilities related to health, safety and environmental matters.
17. Performing any other activities consistent with this Charter, as the Health, Safety, Environmental Committee or the Board deems necessary or appropriate.
18. The Health, Safety, Environmental Committee will review and assess its effectiveness, contribution and this Charter annually and recommend any proposed changes thereto to the Board.
19. The Health, Safety, Environmental Committee will have the authority to delegate any specific tasks to individual Health, Safety, Environmental Committee members.
20. The Health, Safety, Environmental Committee will report periodically, but at least annually, to the Board.

## DISCLOSURE POLICY

### Objective and Scope

The objective of this disclosure policy is to ensure that communications to the investing public about the Corporation are timely, complete, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements.

**This disclosure policy extends to all employees, consultants and directors of the Corporation and its affiliates and those individuals authorized to speak on behalf of the Corporation.** It covers disclosure in documents filed with the securities regulatory authorities, financial and non-financial disclosure (including management's discussion and analysis) and written statements made in the Corporation's annual and quarterly reports, news releases, material change reports, letters to shareholders, presentations by senior management, information contained on the Corporation's website and other electronic communications. It also extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

### Disclosure Policy Committee

The Corporation will establish a Disclosure Policy Committee responsible for overseeing the Corporation's disclosure practices. The Disclosure Policy Committee will consist of the Chief Executive Officer, Vice President – Legal Affairs and senior investor relations/communications officer for the Corporation, together with such other persons as the Board may from time to time designate.

The Disclosure Policy Committee will set standards for a preliminary assessment of materiality and will determine when developments justify public disclosure. The Disclosure Policy Committee will meet as conditions require and minutes of the Disclosure Policy Committee's meetings will be maintained and be available to the Board. **It is essential that the Disclosure Policy Committee be kept fully apprised of all pending material developments relating to the Corporation in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information.** If it is deemed that the information should remain confidential, the Disclosure Policy Committee will determine how that information will be controlled and whether any regulatory filings on a confidential basis need to be made.

The Disclosure Policy Committee will review and update, if necessary, this Disclosure Policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Disclosure Policy Committee will report to the Board as requested.

The Disclosure Policy Committee will document all discussions it conducts with respect to matters to which this policy relates including who was present, what was discussed, whether the information was material and any conclusions reached.

### Disclosure of Material Information

Material information is information relating to the business, operations, assets, or securities of the Corporation that would reasonably be expected to have a significant effect on the market

price or price of the Corporation or a security of the Corporation, and includes a decision to implement a change made by the Board or senior management of the Corporation who believe that confirmation by the Board is probable.

Securities legislation requires that all material information must be disclosed to the public by way of news release as soon as practicable. In complying with the requirement to disclose forthwith all material information under applicable laws and stock exchange rules, the Corporation will adhere to the following basic disclosure principles:

1. Material information will be publicly disclosed immediately via news release disseminated through a widely circulated news or wire service. Examples of potentially material information include but is not limited to the following:

*Changes in Corporate Structure*

- Changes in share ownership that may affect control of the Corporation
- Major reorganizations, amalgamations, or mergers
- Take-over bids, issuer bids, or insider bids

*Changes in Capital Structure*

- Public or private sale of additional securities
- Planned repurchases or redemptions of securities
- Planned splits of common shares or offerings of warrants or rights to buy shares
- Any share consolidation, share exchange, or stock dividend
- Changes in the Corporation's dividend payments or policies
- Possible initiation of a proxy fight
- Material modifications to rights of security holders

*Changes in Financial Results*

- Significant increase or decrease in near-term earnings prospects
- Unexpected changes in the financial results for any period
- Shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- Changes in the value or composition of the Corporation's assets
- Any material change in the Corporation's accounting policy

### *Changes in Business and Operations*

- Any development that affects the Corporation's resources, products or markets
- A significant change in capital investment plans or corporate objectives
- Major labour disputes or disputes with a major contractor or supplier
- Significant new contracts, products, patents, or services or significant losses of contracts or business
- Significant changes in the status of any of the Corporation's power projects
- Changes to the Board or senior management, including the departure of the company's Chief Executive Officer or Chief Financial Officer (or persons in equivalent positions)
- Commencement of, or developments in, material legal proceedings or regulatory matters
- Departure from the Corporation's Code of Business Conduct and Ethics by officers, directors, and other key employees
- Any notice that reliance on a prior audit is no longer permissible
- De-listing of the Corporation's securities or their movement from one quotation system or exchange to another

### *Acquisitions and Dispositions*

- Significant acquisitions or dispositions of assets, property or joint venture interests
- Acquisitions of other companies, including a take-over bid for, or merger with, another company

### *Changes in Credit Arrangement*

- Borrowing or lending of a significant amount of money
- Any mortgaging or encumbering of the Corporation's assets
- Defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- Changes in rating agency decisions
- Significant new credit arrangements

An immediate statement containing the major points of the material information is the first objective. Additional details may follow in a further news release. When several significant actions are resolved or occur at one time, disclosure of all should be released immediately so that the full implications may be assessed by the public.

Certain developments will require disclosure at the proposal stage or before an event actually occurs if the proposal gives rise to material information at that stage. Announcement of an intention to proceed with a transaction or activity giving rise to material information should be made when a decision has been made to proceed by the Board or senior management with the expectation of concurrence from the Board. Updates should be announced on a regular basis unless the original announcement indicated that an update would be disclosed on a specific date. In addition, prompt disclosure is required of any material change to the proposed transaction or to the previously disclosed information.

While it is the responsibility of the Disclosure Policy Committee to determine what information is material in the context of the Corporation's business, the Disclosure Policy Committee may consult with market surveillance of the stock exchange on which the Corporation's shares are traded when in doubt as to whether disclosure should be made.

2. In certain circumstances, the Disclosure Policy Committee may determine that such disclosure may be unduly detrimental to the Corporation (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be immediately brought to the attention of the Board and will be kept confidential until the Disclosure Policy Committee determines it is appropriate for public disclosure. (In such circumstances, the Disclosure Policy Committee will cause a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every five days) review its decision to keep the information confidential (also see "Rumours" below). The Disclosure Policy Committee will only withhold material information from public disclosure where there is a reasonable basis to do so, and when the basis for maintaining confidentiality ceases to exist it will promptly disclose such material information to the public.

At any time when material information is withheld from the public, the Corporation is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers, consultants, employees or advisors of the Corporation except in the necessary course of business. The Corporation will also make sure that there is no selective disclosure of confidential information to third parties. The Corporation should ensure that when such information is disclosed in the necessary course of business all recipients are aware that it must be kept confidential. If the material information being treated as confidential becomes disclosed in some manner, the Corporation will promptly disclose the material information publicly in the proper manner.

3. Disclosure must include any information the omission of which would make the rest of the disclosure misleading (for example, half truths are misleading).
4. Unfavourable material information must be disclosed as promptly and completely as favourable information.

5. The guiding principle should be to communicate clearly and accurately the nature of the information.
6. There must not be any selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, such information must be broadly disclosed immediately via news release.
7. Disclosure should be consistent among all audiences, including the investment community, media and Corporation personnel.
8. Disclosure on the Corporation's website alone may not constitute adequate disclosure of material information, a news release may also be required.
9. Disclosure must be corrected immediately if the Corporation subsequently learns that earlier disclosure by the Corporation contained a material error at the time it was given.

### **Trading Restrictions and Blackout Periods**

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, insiders and employees with knowledge of confidential or material information about the Corporation or counter-parties in negotiations of material potential transactions, are prohibited from trading in securities of the Corporation or any counter-party until the information has been fully disclosed and a reasonable period of time has passed to allow for the information to be widely disseminated.

Trading blackout periods will apply to those insiders or employees with access to material undisclosed information during periods when financial statements are being prepared but results have not yet been publicly disclosed.

Blackout periods may be prescribed from time to time by the Disclosure Policy Committee or the Board as a result of special circumstances relating to the Corporation, and during such periods insiders of the Corporation will be precluded from trading in securities of the Corporation. All parties with knowledge of such special circumstances will be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

### **Maintaining Confidentiality**

Any insider or employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Communication by e-mail leaves a physical track of its passage that may be subject to subsequent decryption attempts. All confidential information being transmitted over the Internet must be secured by the strongest encryption methods available. Where possible, employees or insiders should avoid using e-mail to transmit confidential information.

Outside parties privy to undisclosed material information concerning the Corporation will be told that they must not divulge such information to anyone else, other than in the necessary course of business. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the necessary course of business. Code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential matters should not be discussed on wireless telephones or other wireless devices.
4. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
5. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
6. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
7. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
8. Access to confidential electronic data should be restricted through the use of passwords.

### **Designated Spokespersons**

The Corporation will designate a limited number of spokespersons responsible for communication with the investment community, regulators or the media. The Chief Executive Officer, President, and senior investor relations/communications officer for the Corporation will be the official spokespersons for the Corporation. Individuals holding these offices may, from time to time, designate others within the Corporation to speak on behalf of the Corporation as backups or to respond to specific inquiries.

Personnel who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others unless specifically asked to do so by an authorized spokesperson. All such inquiries will be referred to the Chief Executive Officer, President or senior investor relations/communications officer.

### **News Releases**

Once the Disclosure Policy Committee determines that a development is material it will authorize the issuance of a news release, unless the Disclosure Policy Committee determines that such development must remain confidential for the time being. If the Disclosure Policy Committee determines this to be the case, appropriate confidential filings will be made and control of the inside information will be instituted. Should material information inadvertently be disclosed in a selective forum, the Corporation will immediately issue a news release in order to fully disclose that information.

**If the stock exchange(s) upon which shares of the Corporation are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department to enable a trading halt, if deemed necessary by the stock exchange(s). If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market opens.**

Annual and interim financial results will be publicly released as soon as practicable following Board approval or review.

News releases will be disseminated through an approved news or wire service that provides simultaneous widespread distribution on a national and preferably international basis. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and, at the option of the Corporation, the local media in areas where the Corporation has its headquarters or operations.

News releases will be posted on the Corporation's website immediately after release over the news wire. The news release page of the website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

### **Insider Reports**

Insiders will be personally responsible for filing accurate and timely insider trading reports as required by applicable securities regulatory authorities.

### **Conference Calls**

Conference calls may be held for major corporate developments, such as quarterly financial results, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. A conference call will be preceded by a news release containing all relevant material information. At the beginning of the call, a Corporation spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct

participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the information being discussed.

The Corporation will provide advance notice of the conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. The Corporation may also send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants will also be posted to the Website for others to view. A tape recording of the conference call and/or an archived audio webcast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

The Disclosure Policy Committee will hold a debriefing meeting immediately after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Corporation will immediately disclose such information broadly via news release.

### **Rumours**

The Corporation will generally not comment, affirmatively or negatively, on rumours. This will also apply to rumours on the Internet. The Corporation's spokespersons will respond consistently to any rumours, by saying, "It is our policy not to comment on market rumours or speculation."

Should the stock exchange request that the Corporation make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Disclosure Policy Committee will consider the matter and decide whether to make a policy exception.

### **Contacts with Analysts, Investors and the Media**

The Corporation recognizes that meetings with analysts and significant investors are an important element of the Corporation's investor relations program. The Corporation will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy.

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Corporation intends to announce material information at an analyst or shareholder meeting, a press conference or conference call, the announcement must be preceded by a news release.

The Corporation will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Corporation cannot alter the materiality of information by breaking down the information into smaller, non-material components.

The Corporation will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors, primarily by posting the information on its website.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Corporation representative will be present at all individual and group meetings. A debriefing with the Disclosure Policy Committee will be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Corporation will immediately take steps to ensure that a full public announcement is made. Such steps will include contacting the market surveillance of the stock exchange on which the Corporation's shares are traded and requesting that trading be halted pending the issuance of a news release and pending such issuance of the news release notifying all parties who have knowledge of the information that such information is material and that it has not been generally disclosed.

### **Reviewing Analyst Draft Reports and Models**

It is the Corporation's policy to review, upon request, analysts' draft research reports or models. The Corporation will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is the Corporation's policy, when an analyst inquires with respect to its estimates, to question an analyst's assumptions if the estimate is significantly outside of the range of "street" estimates or the Corporation's published earnings guidance. The Corporation will limit its comments in responding to such inquiries to non-material information. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earning estimates.

In order to avoid appearing to "endorse" an analyst's report or model, the Corporation will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

### **Distributing Analyst Reports**

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Corporation of the report. For these reasons, the Corporation will not provide analyst reports through any means to persons outside of the Corporation, including a posting of such information on the Corporation's website. The Corporation may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Corporation.

### **Forward-Looking Information**

Generally, the Corporation should not disclose forward looking information ("FLI") unless required by law to do so, or unless the Corporation believes such disclosure will enhance a reasonable investor's investment decision, whether positively or negatively.

Should the Corporation determine it has a reasonable basis for the disclosure of FLI and so elects to disclose it (in continuous disclosure documents, speeches, conference calls, etc.), the following guidelines will be observed.

1. If deemed material, FLI will be broadly disseminated via news release in accordance with this disclosure policy.
2. The FLI will be clearly identified as forward looking.
3. The Corporation will identify all material assumptions and factors used in preparation of the FLI.
4. The FLI will be accompanied by a reasonable, meaningful cautionary statement that identifies, in very specific terms, the risks, uncertainties and material factors that may cause the actual results to differ materially from those projected in the statement.
5. The FLI will be accompanied by a statement that disclaims the Corporation's intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Corporation may choose to issue a news release explaining the reasons for the difference. In this case, the Corporation will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).
6. Any oral FLI (such as that disclosed in conference calls, analyst interviews or "road shows") must be accompanied by a statement:
  - (a) that the statement is "forward-looking;"
  - (b) that actual results may differ materially from those projected in the forward looking statement; and
  - (c) that additional information concerning factors that could cause actual results to differ from those projected is contained in an identified, readily available written document.
7. The Disclosure Policy Committee will continuously monitor all FLI contained in its continuous disclosure record to ensure it does not become misleading over the passage of time.

If the Corporation has issued a forecast or projection in connection with an offering document covered by National Policy 48, *Future-Oriented Financial Information*, the Corporation will update that forecast or projection periodically, as required by National Policy 48.

### **Managing Expectations**

The Corporation will try to ensure, through its regular public dissemination of quantitative and qualitative information, that analysts' estimates are in line with the Corporation's own

expectations. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earnings estimates.

If the Corporation has determined that it will be reporting results materially below or above publicly held expectations, it will disclose this information in a news release in order to enable discussion without risk of selective disclosure.

### **Quiet Periods**

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Corporation will observe quiet periods when necessary, during which the Corporation will not initiate or participate in any meetings or telephone contacts with analysts and investors and no information or guidance will be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. Without limitation, quiet periods will be observed commencing on the first day of the month following the end of a financial quarter and ending with the issuance of a news release disclosing quarterly results.

### **Disclosure Record**

The Disclosure Policy Committee will maintain a five year file containing all public information about the Corporation, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

### **Responsibility for Electronic Communications (including the Corporation's Website)**

This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures will also be responsible for electronic communications.

The senior investor relations/communications officer will be responsible for updating the investor relations section of the Corporation's website and for monitoring all Corporation information placed on the website to ensure it is accurate, complete, up-to-date and in compliance with relevant securities laws.

All data posted to the website, including text and audiovisual material, will show the date such material was issued. Any material changes in information will be updated immediately, following issuance of a news release. The Corporation's website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. The senior investor relations/communications officer will maintain a log indicating the date that material information is posted and/or removed from the investor relations website. The minimum retention period for material corporate information on the website will be two years.

Disclosure on the Corporation's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the Corporation's website will be preceded by the issuance of a news release.

The senior investor relations/communications officer will also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy will be utilized in responding to electronic inquires.

In order to ensure that no material undisclosed information is inadvertently disclosed, personnel are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Corporation's activities or its securities. Personnel who encounter a discussion pertaining to the Corporation should advise the Disclosure Policy Committee immediately, so the discussion may be monitored.

### **Liability to Investors in the Secondary Market**

Proposed securities legislation would give investors in the secondary market the right to sue any public company and key related people for making public misrepresentations about the Corporation or for failure to make timely disclosure as required by law.

The proposed legislation would provide secondary market investors with a limited right of action against an issuer of securities, its directors, responsible senior officers, "influential persons" (i.e., large shareholders with influence over disclosure), auditors and other responsible experts. Secondary market investors would have the right to seek limited compensation for damages suffered at a time when the issuer had made, and not corrected, public disclosure (either written or oral) that contained an untrue statement of a material fact or failed to make required material disclosure.

Investors would have the right to sue whether or not they actually relied on the misrepresentation or failure to make timely disclosure.

An issuer and other possible defendants would have varying defences based on the responsibility for the disclosure. For some types of disclosure, a person would have a defence if that person conducted due diligence. For other types of disclosure, a person would not be liable unless the plaintiff proves that the person knew about the misrepresentation, deliberately avoided acquiring knowledge or was guilty of gross misconduct in making the misrepresentation.

In order to limit potential exposure, the Disclosure Policy Committee will conduct or cause to be conducted a reasonable investigation of the proposed disclosure to enable the Disclosure Policy Committee to be satisfied that there would be no reasonable grounds to believe that the document or oral statement contains any misrepresentation. The Disclosure Policy Committee will also conduct or cause to be conducted a reasonable investigation to ensure that there would be no reasonable grounds to believe that a failure to make timely disclosure would occur.

Strict adherence to the Corporation's disclosure policy will minimize exposure to potential liabilities under current and proposed legislation.

### **Communication and Enforcement**

New directors, officers, consultants and employees of the Corporation will be provided with a copy of this disclosure policy and will be directed to review this disclosure policy. This disclosure policy will be circulated to all personnel of the Corporation on an annual basis and whenever changes to it are made.

Any personnel of the Corporation who violate this disclosure policy may face disciplinary action up to and including termination of his or her employment or relationship with the Corporation without notice. The violation of this disclosure policy may also violate certain securities laws. If it appears that a violation of securities laws has occurred, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment for the violator.