

Corporate Governance Guidelines



The Board of Directors considers good corporate governance to be vital to the effective operations of the Corporation and to ensure that shareholder value is enhanced. The Board is responsible for making sure that the Corporation addresses all relevant corporate governance issues in compliance with the guidelines set forth in Policy Statement 58-201 – Corporate Governance Guidelines of the Canadian Securities Administrators.

The Corporation’s disclosure of corporate governance practices pursuant to Regulation 58-101 is set out below.

Board of Directors

The Board delegates to management the responsibility for the development of these strategies and holds itself responsible for their final approval. Management is required to seek Board approval for significant acquisitions, divestitures and capital expenditures. Other matters of strategic importance to the Corporation are brought to the Board’s attention for its input, consideration and approval.

The Board oversees the identification of the principal risks to the Corporation’s business and the implementation by management of appropriate systems to manage such risks. The Board reviews from time-to-time organizational matters such as succession planning. Given current management’s tenure, their experience and low turnover, succession planning is not seen as critical at present.

Certain Directors are “independent”: they are free from any interest and any business or other relationship which could materially interfere with the Director’s ability to act in the best interests of the Corporation, other than the interests and relationships arising from shareholding.

Messrs. René Branchaud, Nikolaos Sofronis, Eric Swenden, Robert Taub and Martin Wong are “independent” in that they are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding. Mr. Nouredine Mokaddem, President & Chief Executive Officer is a not independent Director of the Corporation.

Orientation and Continuing Education

The Board of Directors takes the following steps to ensure that all new Directors receive orientation regarding all aspects of the Board and the Corporation.

Corporate Governance Guidelines



Reports and other documentation relating to the Corporation's business and affairs are provided to new Directors. Board meetings are held at the Corporation's main site to give the Directors additional insight into the Corporation's business and operations.

Directors' orientation and education is ongoing. Informal discussions between management and members of the Board are encouraged and visits to the Corporation's operations are organized.

Ethical Business Conduct

The Corporation is committed to promoting the highest ethical standards in the pursuance of all of its activities. Furthermore, all of the Corporation's employees are expected to act and to hold their office in the Corporation's best interests. The Corporation expects that all Directors act in compliance with all laws and regulations applicable to their office.

In the event that a transaction or agreement occurs where a Director or executive officer has a material interest, the matter must be initially reviewed by the Corporate Governance Committee and then submitted to the Board of Directors. The Board may implement any measures that it finds necessary to ensure the exercise of independent judgment. In the event that a Director has a material interest, they will abstain from voting in that regard.

Nomination of Directors

The Board of Directors does not feel it is necessary to increase the number of directors at present.

However, the CEO and Chairman of the Corporation seek qualified candidates who wish to be considered for nomination as directors. Proposed nominations are subject to review and approval by the Board.

Any new appointees or nominees to the Board must have a favourable track record in general business management, special expertise in areas of strategic interest to the Corporation, and the ability to devote the time required.

Board Committees

The Board has three committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

Corporate Governance Guidelines



Assessments

The Compensation Committee reviews and assesses Directors' performances.