

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

PURPOSE

The primary objectives of the Corporate Governance & Nominating Committee (CGNC) are to assist the Board by (a) identifying individuals qualified to become Board members every other year in accordance with Section 3.6 of the Association By-Laws; and (b) review the approach, development and promotion of best practices in corporate governance on an on-going basis.

COMPOSITION / MEETINGS

The composition of the CGNC shall be determined every two (2) years in accordance with Section 3.6 of the By-laws and shall consist of at least six (6) persons selected by the CSA Group Board of Directors. Three (3) of the Members of the CGNC shall be the Chair, Vice Chair and Past Chair of the CSA Group Board of Directors. The Chair of the CGNC shall be the Chair of the CSA Group Board of Directors. In addition, the President & CEO and the Corporate Secretary of the Association shall be non-voting *ex-officio* members of the CGNC and shall not be counted for the quorum of the CGNC.

The CGNC shall meet at such times as the Chair of the Committee shall designate and as often as may be necessary to ensure compliance with the nominating process contemplated by the By-Laws. Three members of the CGNC shall constitute a quorum.

RESPONSIBILITIES

The CGNC shall review the qualifications of all nominees put forward under nomination procedures and ensure the integrity of the nominating process for the CSA Group Board of Directors. It shall also advise the Board concerning possible candidates for the positions of Chair and Vice Chair of the Board as required under Section 4.2.1 of the By-Laws.

Specifically, under Section 3.3 of the By-Laws, the CGNC shall put forward nominees to the Board with the object of achieving a balanced Board representing the Association's stakeholders in industry, government, regulators, consumer/users and general interest, and appropriate representation from those groups which have an interest in the activities of the Association, giving due consideration to demographic and geographical representation.

The Chair of the CGNC shall report to the Board periodically or as required by the Board on the activities of the CGNC and shall make such recommendations to the Board as the CGNC decides are appropriate.



In accordance with Section 5.1 of the By-Laws, the CGNC shall, in addition to its responsibilities under Section 3.6 of the By-Laws, be empowered by the Board of Directors to review the approach, development and promotion of best practices in corporate governance which shall include:

- administering and overseeing the bi-annual evaluation process of the Board and sharing the results thereof with the Board for discussion, analysis and deliberation
- making recommendations on the structure of Board meetings
- making recommendations to the Board regarding training and educational programs for Board Members on corporate governance
- reviewing the adequacy of the Association's By-Laws and making recommendations for amendments from time to time
- ensuring the spirit of the Association's By-Laws and Letters Patent are adhered to
- reviewing the adequacy of the Terms of Reference for the Association's sub-Boards and committees of the Board and making recommendations for amendments from time to time
- making recommendations regarding individuals for vacancies occurring on the Board from time to time in accordance with Section 3.5 of the By-Laws, and provide assistance, if requested, to the Chairs of sub-Boards or committees for vacancies occurring thereon
- ensuring compliance with and interpretation of the Guidelines that Board members are governed by, such as changes in status and conflicts of interest issues
- reviewing and applying policies regarding the qualifications of Directors to continue holding office
- making recommendations to the Executive Committee of the Board, *in camera*, where there are circumstances warranting the removal of a Director, and if accepted, ensuring the Chair of the Board requests the resignation of the Director, failing which the matter shall be brought before the full Board for a vote

COMMITTEE RESOURCES

The CGNC shall have the authority to obtain advice and assistance from internal or external advisors.

June 16, 2003

