

FINANCE & AUDIT COMMITTEE

MANDATE

The mandate of the Finance & Audit Committee is to facilitate the processes by which the Board of Directors fulfills its responsibilities relating to the CSA annual audited financial statements, financial results, systems of internal control, internal audit program, and statutory compliance.

The Finance & Audit Committee will review and report to the Board of Directors on the financial plans, financial results, significant financial matters, financial processes and controls, and the annual audited financial statements of CSA.

ACCOUNTABILITY

The Finance & Audit Committee is accountable to the Board of Directors. The Chair of the Finance & Audit Committee is a member of the Executive Committee of the Board, and reports to the Board.

The Manager, Corporate Quality Assurance (internal audit) will have a direct reporting line and responsibility to the Chair of the Finance & Audit Committee.

COMPOSITION

- The Board of Directors shall appoint the Chair and members of the Finance & Audit Committee.
- The Finance & Audit Committee shall consist of at least six (6) members of the Board of Directors, who are independent of Management and CSA.
- The members of the Finance & Audit Committee should be financially literate, or shall become financially literate within a reasonable period of time after their appointment to the Committee.

MEETINGS

The Finance & Audit Committee shall meet at least four (4) times a year.

QUORUM

A quorum shall consist of 50% of the Finance & Audit Committee.

RESPONSIBILITIES

The Chair of the Finance & Audit Committee will review and approve the expenses of the President & CEO, on a quarterly basis.

The Finance & Audit Committee is to review, report and make recommendations on those matters



requiring the Board's approval, including:

- the appointment of external auditors and setting of fees.
- the approval of annual audited financial statements, including the selection of appropriate accounting policies and practices, to the Board of Directors.
- the organization's financial systems and controls.
- the annual Internal Audit Schedule, audit results and remedial actions.
- special Internal Audits/Investigations as required.
- the annual external audit is conducted in an efficient and cost-effective manner.
- any significant matters affecting the financial operations or viability of the organization.
- provide a summary report to the Board of Directors on the effectiveness of the financial systems, internal controls, and operating systems annually.
- review the financial results of the organization quarterly.
- the key financial assumptions in the annual financial budget.
- review and appoint the external investment managers annually.
- review and approve the Investment Policy Statement annually.
- review the risk management processes and insurance coverage, including Directors' and Officers' Insurance (D&O) annually.
- review the financial implications of any plans for business acquisitions or divestitures.
- review the Finance & Audit Committee Mandate annually.

June 20, 2005

