



BOARD MANDATE, RESPONSIBILITIES AND DIRECTORS' ATTRIBUTES

1. Board Mandate

The Board must act in the best interests of the Corporation and its shareholders. The Board acts in accordance with applicable laws (including the *Business Corporations Act* (Alberta)), the Articles and By-laws of the Corporation and the specific terms of reference as laid out for each Committee and the Board as a whole.

2. Board Responsibilities

The Board is responsible for the stewardship of the Corporation. In discharging its responsibility, each member of the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. The Board shall assume responsibility in the following areas:

(a) Strategic Planning Process

The Board shall:

- (i) provide input to management on emerging trends and issues;
- (ii) review and approve the 3 year strategic plan for the Corporation's business developed by the CEO, in conjunction with the CFO;
- (iii) review progress towards the achievement of the goals established in the 3 year strategic plan;
- (iv) review the principal risks of the Corporation's business identified by the CEO and review management's implementation of the appropriate systems to manage these risks; and
- (v) review and approve the Corporation's financial objectives, plans and actions, including the annual capital and operating budget (and any subsequent revisions thereto) and significant capital allocations and expenditures.

(b) Monitoring Tactical Progress

Monitor corporate performance against the strategic plan of the Corporation, including assessing operating results to evaluate whether the business is being properly managed and revising and altering its direction through management in light of changing circumstances.

(c) Risk Assessment

Review the principal risks of the Corporation's business identified by the CEO and ensure that appropriate systems are in place to manage these risks.

(d) Senior Level Staffing

Appoint, evaluate and if necessary, replace the CEO and other senior officers.

(e) Approval and Signing Authority

Ensure that the Corporation has an up-to-date list of corporate signing authorities and a document that outlines the approval limits and signatures required for the various levels of expenses.

(f) Integrity

(i) Ensure the integrity of the Corporation's internal control and management information systems; and

(ii) Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Corporation's own governing documents.

(g) Material Transactions

Review and approve material transactions not in the ordinary course of business.

(h) Monitoring Board Effectiveness

Assess Board effectiveness in fulfilling the above and other Board responsibilities, including assessing the effectiveness of individual directors.

(i) Board Committees

The Board shall:

(i) appoint appropriate committees to undertake tasks assigned by the Board; and

(ii) standing committees of the Board shall include:

- Governance Committee;
- Audit Committee; and

- Compensation Committee.

(j) Other

Perform such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.

3. Directors' Attributes

To execute these Board responsibilities, directors must possess certain characteristics as follows:

(a) Objectivity

Directors must approach all decisions with respect to the Corporation in an objective and independent manner.

(b) Integrity and Accountability

Directors must demonstrate high ethical stands and integrity in their personal and professional dealings, and be willing to act on - and remain accountable for - their boardroom decisions.

(c) Informed Judgement

The ability to provide wise, thoughtful counsel on a broad range of issues ranks high among the qualities required in directors. They must develop a knowledge of the Corporation's business, in order to understand and question the assumptions upon which the strategic and business plans are based, and to form an unbiased judgement as to the probability that such plans can be achieved.

(d) Financial Literacy

One of the most important roles of the Board is to monitor financial performance. To do this, directors must have a level of financial literacy - including, how to read financial statements and understanding the use of financial ratios and other indices for evaluating the Corporation's performance.

(e) Mature Confidence

(i) Teamwork

Must value Board and team performance over individual performance, possess respect for others, and be able to facilitate superior Board performance.

(ii) Communication



Openness to other's opinions and the willingness to listen should rank as highly as the ability to communicate persuasively. Directors must approach others assertively, responsibly and supportively, and be willing to raise relevant questions in a manner that encourages open and relevant discussion.

(f) Track Record and Experience

In today's highly competitive world, only companies capable of performing at the highest levels are likely to prosper. Directors must bring a history of achievement that reflects high standards for themselves and others.