



# **CHARTER AND TERMS OF REFERENCE OF THE NOMINATING/CORPORATE GOVERNANCE/COMPENSATION COMMITTEE**

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## ROLE AND OBJECTIVE

The purpose of the Nominating/Corporate Governance/Compensation Committee (the “Committee”) is to assist the board of directors (the “Board”) of the Corporation in fulfilling its responsibilities relating to:

- Identifying and recommending candidates for election or appointment to the Board to be put before the annual shareholders meeting or the Board in the event of a vacancy on the Board and oversee the Corporation’s process for director orientation and assessment.
- The development of the Corporation’s approach to matters concerning corporate governance and, from time to time, reviewing and making recommendations to the Board as to such matters.
- The human resource policies and compensation of its directors, officers and employees of the Corporation and its subsidiaries in the context of the budget and business plan of the Corporation.
- Succession planning in relation to the Board and senior management.

## MEMBERSHIP OF COMMITTEE

1. The Committee shall be comprised of at least three (3) directors of Caldwell, none of whom are members of management of Caldwell and all of whom are “unrelated directors” (as such term is used in the Report of the Toronto Stock Exchange on Corporate Governance in Canada) and “independent” (as such term is used in Multilateral Instrument 52-110).
  2. The Board shall appoint the Committee Chair, who shall be an unrelated director.
  3. Each member shall hold office until his or her term as a member of the Committee expires or is terminated.
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## CHARTER AND RESPONSIBILITIES OF COMMITTEE

### Nominating and Corporate Governance:

1. In addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for
  - (a) Reviewing annually the mandates of the Board and ensuring that each committee of the Board annually reviews and recommends to the Board such amendments to its mandate as it believes are necessary or desirable;
  - (b) Preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
  - (c) To make recommendations to the Board as to which directors should be classified as "independent" directors, "related" directors or "unrelated" directors pursuant to any such report or circular;
  - (d) Reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs.
  - (e) Assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board;
  - (f) Recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors;
  - (g) As required, developing, for approval by the Board, an orientation and education program for new recruits to the Board;
  - (h) 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;
  - (i) Developing and recommending to the Board for approval and periodically reviewing structures and procedures designed to ensure that the Board can function effectively and independently of management;
  - (j) Reviewing succession plan, including making recommendations to the board of directors regarding appointments of corporate officers and senior management;
  - (k) Reviewing annually the Committee's Mandate and Terms of Reference
  - (l) Reviewing and considering the engagement at the expense of the Corporation of professional






and other advisors by any individual director when so requested by any such director;


- (m) Establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "Code") and ensuring that management has established a system to monitor compliance with this code;
- (n) Establishing, reviewing and updating periodically a Whistleblower Policy and ensuring that management has established a system to monitor compliance with this code; and
- (o) Reviewing management's monitoring of the Corporation's compliance with the organization's Code.


## Compensation:

1. The Committee shall formulate and make recommendations to the Board in respect of compensation issues relating to directors and employees of the Corporation. Without limiting the generality of the foregoing, the Committee shall have the following duties:
    - (a) To review the compensation philosophy and remuneration policy for employees of the Corporation and recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
    - (b) To review and recommend to the Board cash and/or share-based compensation to be paid to members of the Board;
    - (c) To receive annually from the Chief Executive Officer of the Corporation the Chief Executive Officer's evaluation of the performance of each senior officer who reports to the Chief Executive Officer of the Corporation;
    - (d) To review and recommend annually to the Board performance objectives and the compensation package for the Chief Executive Officer;
    - (e) To recommend to the Board, on the recommendation of the Chief Executive Officer, the annual compensation and benefits package for senior management positions within the Corporation, including long term incentive plans as appropriate;
    - (f) To review management's recommendations for proposed stock option, restricted stock unit, performance stock unit or such other share purchase plans and make recommendations in respect thereof to the Board;
    - (g) To determine and recommend for approval of the Board any bonuses to be paid to officers of the Corporation and to establish at the start of the year targets or criteria for the payment of such bonuses, if appropriate;
    - (h) To approve and submit the Nominating/Corporate Governance/Compensation Committee's report for inclusion in the Annual Information Form and proxy statement, including the Compensation Committee Report required to be therein; and
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- (i) To review executive compensation disclosure before the Corporation publicly discloses this information.

## MEETINGS AND ADMINISTRATIVE MATTERS

1. At all meetings of the Committee every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
  2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
  3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Board.
  4. Meetings of the Committee should be scheduled to take place at least twice per year and at such other times as the Chair or any member of the Committee may request (see suggested agenda - "Schedule A"). The Committee should meet in camera at least once per year.
  5. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
  6. Notice of the meetings may be provided by mail, personal delivery, facsimile, electronic - mail or telephone, provided that the method of notification chosen shall be capable of being received by members of the Committee at least 24 hours before a Committee meeting at the member's contact information last recorded. Any member may in any manner waive notice of the meeting.
  7. The Committee may invite such officers, directors and employees of Caldwell as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.
  8. Any member of the Board Directors may attend any Committee meeting as an ex-officio member at his discretion.
  9. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
  10. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
  11. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a
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director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the next annual meeting of shareholders following appointment as a member of the Committee.

12. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.



## SCHEDULE "A"

### Nominating/Corporate Governance/Compensation Committee Agenda for Year

		Scheduled Meetings				
		Oct	Nov	Jan	Apr	Jul
<b>I.</b>	<b>Nominating and Corporate Governance Responsibilities:</b>					
	Review Board mandate; ensure other committees review their mandates	X				
	Prepare statement of corporate governance practices for public disclosures	X				
	Review board composition, classification of directors, recommend nominees for new directors, etc.	*		*	*	*
	Assess effectiveness of Board and committees; assess contribution of individual directors	X				
	Develop orientation and education programs for new directors	X				
	Review succession plan; recommend to Board appointment of corporate officers and senior management	*		*	*	*
	Act as a forum for concerns of individual directors which cannot easily be discussed with the full Board	X				
	Develop and review structures and procedures designed to ensure the Board functions independently of management	*		*	*	*
	Consider requests of individual directors for engagement of outside professionals and advisors	X				
	Review Code of Conduct and Ethics and monitor compliance with it					
<b>II.</b>	<b>Compensation Responsibilities:</b>					
	Review compensation philosophy and remuneration policy; recommend to Board changes to improve ability to recruit, retain and motivate employees	X				
	Review and recommend to the Board, director compensation	*				
	Receive a report from CEO on performance of his reporting senior officers and other consultants and advisors	X				
	Review and recommend to Board annually, performance objectives for the coming year of CEO, and compensation package for Chair, CEO and other senior management	X				
	Review management's recommendation re: stock option and other share-based compensation and share purchase plans	*				
	Determine and recommend to Board annually any bonuses paid to officers and establish targets/criteria for payment if appropriate	X				
	Determine annual long term incentive plans and grants of related share-based compensation units	X				
	Prepare the committee's report for inclusion in annual public disclosures			X		

X - recommended timing

\* = as needed

