

Corporate Governance Committee report

Committee members

- John Manley (Chair) ✓
- Stockwell Day¹ ✓
- Lisa de Wilde ✓
- Kathy Kinloch ✓
- 100% independent ✓

4

meetings in 2019

At each meeting, the Committee holds an in-camera session without management present.

2019 Committee highlights

Commitment to best practices in corporate governance

- Conducted an annual assessment of the independence and financial literacy of directors and made recommendations to the Board, which made the final determinations
- Received quarterly updates on changing laws, rules and regulations in both Canada and the United States, corporate governance initiatives taken by Canadian and U.S. securities regulators and other stakeholders, and emerging best practices and their implications for the Company
- Reviewed quarterly reports on corporate social responsibility and environmental risk management updates, as well as the sustainability report
- Evaluated the adequacy of our say-on-pay policy and shareholder engagement practices
- Reviewed and reported on shareholder communications received in the Board inbox on a quarterly basis, as well as any correspondence from the Board or committees sent in response to such communications.

Board and committee succession planning

- Recommended changes to committee membership to give the following directors the opportunity to serve on different committees and to be exposed to different facets of the Company. John, who has been a director since 2012, stepped down from the Pension Committee after the May 2019 annual meeting, having served on that committee for four years, to join the Human Resources and Compensation Committee (Compensation Committee), which was the only committee he had not served on yet. Given the resignation of Claude from the Board in August 2019, the Committee recommended some further changes to committee membership to ensure a balance of members and expertise on the committees. In November 2019, Marc Parent stepped down from the Pension Committee and joined the Audit Committee. Similarly, John stepped down from the Compensation Committee and rejoined the Pension Committee. Also, given Stockwell's long tenure on the Compensation Committee, he stepped down from that committee and is now a member of the Corporate Governance Committee
- Continued to work with an external recruitment specialist to assist with the director recruitment process and review and update the evergreen list of director candidates. Oversaw the recruitment of Tom Flynn, who is nominated for election at this meeting, and who fulfills the finance and accounting priority identified by the Committee in its director search based on the results of an annual review of the Board's skills matrix and gap analysis
- Conducted an annual review of the succession planning process for the Chair and committee chairs.

Diversity

- Surpassed our Board diversity target of 30 per cent diverse members and 30 per cent of each gender. Currently, 55 per cent of our independent directors are diverse (six directors) and 45 per cent are women (five directors).
- Conducted an annual review of the Board diversity policy and approved maintaining a diversity and gender target at 30 per cent of our independent directors, as well as adding Indigenous status as an element of diversity.

Annual Board evaluation – Board and peer assessments

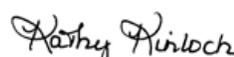
- Reviewed and approved the 2019 Board evaluation process and surveys for evaluating Board performance (conducted every other year), as well as a peer evaluation (conducted annually), and reviewed the results of the surveys
- Developed and will monitor implementation of an action plan to prioritize items identified during the evaluation process.

Signed, the members of the Corporate Governance Committee


John Manley (Chair)


Stockwell Day


Lisa de Wilde


Kathy Kinloch

¹ Stockwell became a member of the Corporate Governance Committee on November 5, 2019.