

Corporate Governance Guidelines

Board Composition and Selection

Organization

The Board shall consist of a minimum of 5 and a maximum of 20 directors, as determined from time to time by the directors following a recommendation by the Corporate Governance and Nominating Committee. Directors are elected annually by the Company's shareholders.

From and after the 2014 annual shareholders meeting, two-thirds of the directors shall be "independent" within the meaning of applicable rules of securities regulatory authorities and stock exchanges, provided that if the number of independent directors falls below two-thirds as a result of the death, resignation or other departure of an independent director, the Company shall not be in breach of these guidelines so long as the Company reconstitutes the Board as soon as reasonably practicable such that two-thirds of the directors are independent.

Selection of New Directors

A quorum of directors may fill vacancies in existing or new director positions to the extent permitted by applicable law. Directors so appointed by the Board will serve only until the next annual meeting unless re-elected by the shareholders at that time.

Nominees for membership on the Board will be recommended to the Board by the Corporate Governance and Nominating Committee. In making its recommendation to the Board regarding proposed nominees as new directors, the Corporate Governance and Nominating Committee (i) shall consult broadly with other members of the Board, and may retain external consultants, to assist it in sourcing the best available candidates for nomination, and (ii) will assess the ability to contribute to the effective supervision of the management of the business and affairs of the Company. The Board shall meet to discuss and vote upon any recommendations so made by the Corporate Governance and Nominating Committee.

Election of Directors

Each director should be elected by the vote of a majority of the shares represented in person or by proxy at any meeting for the election of directors. Accordingly, if any nominee for director receives, from the shares voted at the meeting, a greater number of shares withheld than shares voted in favour of his or her election, the director must promptly tender his or her resignation to the Chairman of the Board, to take effect on acceptance by the Board. The

Corporate Governance and Nominating Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept it, provided that the Board must accept the resignation absent exceptional circumstances. Within 90 days of the shareholders' meeting, the Board will make a final decision and announce it by way of press release.

This policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected.

Any director who tenders his or her resignation will not participate in the deliberations of the Corporate Governance and Nominating Committee or the Board regarding the acceptance of that resignation. In the event any director fails to tender his or her resignation in accordance with this policy, the Board will not re-nominate the director. The Board is not limited in any action it may take if a director's resignation is accepted, including appointing a new director to fill the vacancy.

Director Orientation and Education

Management of the Company, working with the Chairman and Corporate Governance and Nominating Committee, will provide an orientation process for new directors, including providing background materials on the Company and its business.

A continuing education session will be incorporated into regularly scheduled Board meetings and certain meetings of committees of the Board to the greatest extent practicable in order to inform the Board of relevant developments in matters relevant to the Company and its business. As appropriate, management will prepare additional educational sessions for directors on matters relevant to the Company and its business. Directors are also encouraged to take advantage of other available educational opportunities that would further their understanding of the Company's business and enhance their performance on the Board, at the Company's expense.

Functioning of the Board

Number and Schedule of Meetings

The Board will hold a minimum of five regularly scheduled meetings per year. Prior to the end of each year, the Chairman will propose a schedule of Board meetings for the following calendar year for consideration by the Board. Additional meetings may be held from time to time as necessary or appropriate.

Agenda

The Chairman will establish the agenda for each regularly scheduled Board meeting, giving consideration to any suggestions from the Co-Presidents, the Lead Director or other members of the Board and ensuring that there is sufficient time allotted to each agenda item to allow for effective discussion of each item and of key issues and concerns. Any director may suggest agenda items and may raise at meetings other matters that they consider worthy of discussion.

Distribution of Materials

The agenda and the related information and data that is important to the Board's understanding of the business to be discussed for each regularly scheduled meeting and, where feasible, each special meeting, will be distributed sufficiently in advance of the meeting to provide a reasonable opportunity for review, except when such material is too sensitive to be put in writing.

Attendance

Directors should make every reasonable effort to attend all meetings of the Board and of all Board committees upon which they serve. Although the Board recognizes that, on occasion, circumstances may prevent directors from attending meetings, directors are expected to ensure that other commitments do not materially interfere with the performance of their duties. Subject to extenuating circumstances (such as illness, for example), directors are expected to attend a minimum of 75% of all Board and committee meetings. Directors should also make every reasonable effort to attend the annual meeting of shareholders of the Company.

Executive and Independent Sessions

The Board will schedule and hold an executive session at every Board meeting (including special meetings) at which the non-management directors (i.e. directors who are not Company officers) meet without management participation. In addition, the independent directors of the Company will hold regular sessions at every Board meeting (including special meetings) at which the independent directors meet in the absence of any non-independent directors. The Lead Director will preside at each executive session and at each session of the independent directors.

Lead Director

The independent directors will elect one of such independent directors to serve as the Lead Director. The Board has adopted a Lead Director position description which assigns to the Lead Director various responsibilities to enhance the functioning of the Board and to ensure that the Lead Director presides over all

meetings of the non-management and independent directors of the Company. The Board will establish methods by which interested parties may communicate directly with the Lead Director and cause such methods to be disclosed in the Company's annual proxy circular, and on the Company's website.

Access to Management and Advisors

The Company will provide directors with complete access to the management of the Company. The Board and Board committees, to the extent set forth in the applicable committee mandate, have the right to consult and retain independent legal and other advisors at the expense of the Company. Directors are entitled to reasonably rely on advice from outside advisors such as lawyers, accountants, engineers or other persons whose profession lends credibility to a statement by such person. Directors should assess the qualifications of any such advisors and the processes such advisors use to reach their decisions and recommendations.

Board Leadership

The Board reserves the right to determine, from time to time, how to configure the leadership of the Board and the Company in the way that best serves the Company.

Director Responsibilities

Mandate

The Board is responsible for the stewardship of the Company and for the supervision of the management of the business and affairs of the Company. The Board has adopted a written mandate setting out specific areas of responsibility, including responsibilities relating to oversight of management, financial and risk matters, business strategy, communications and reporting, corporate governance and Board organization.

Share Ownership

The Board believes that directors should be shareholders and have a financial stake in the Company. The Board has established minimum share ownership standards for directors and will review such standards from time to time, including whether to allow a grace period if the market value of a director's equity interest falls below the minimum share ownership requirement due to a decrease in the price of the Company's Shares. Such minimum share ownership requirements will be disclosed annually in the Company's proxy circular.

Contact with Analysts, Investors and the Media

The Company's Disclosure Policy provides that directors, officers and employees who are not authorized spokespersons must not communicate information regarding the Company to the investment community, the media or others, unless specifically requested to do so by an authorized spokesperson. Directors receiving inquiries from analysts, investors, the media or others should refer them to an authorized spokesperson identified in the Company's Disclosure Policy.

Conduct and Ethics Standards for Directors

The Company has adopted a Code of Business Conduct and Ethics. Directors are required to comply with such Code.

Committees of the Board

The Board may establish such committees as it deems appropriate and delegate to them such authority permitted by applicable law and the Company's bylaws as the Board sees fit.

The committees will operate in accordance with applicable law, their respective mandates as adopted and amended from time to time by the Board, and the applicable rules of securities regulatory authorities and stock exchanges.

All of the members of each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, and at least a majority of the members of each of the Corporate Responsibility Committee and the Risk Committee, shall be directors whom the Board has determined are "independent", taking into account applicable rules and regulations of securities regulatory authorities and stock exchanges.

The Audit Committee will hold periodic *in camera* sessions during which the members of the committee will meet in the absence of members of management of the Company. Meetings of the Compensation Committee and the Corporate Governance and Nominating Committee will be held as *in camera* sessions, provided that members of management of the Company may attend by invitation as determined by each Committee.

Compensation

The Compensation Committee will make recommendations to the full Board as to the form and amount of director compensation, including cash, equity-based awards and other director compensation. The Company recognizes that it is important to set director compensation at an appropriate level so that it does not compromise any director's independence. Directors' compensation will be

determined based on this principle, taking into account market practices for comparable companies, and will reflect an appropriate balance between cash and equity.

Term Limits

The Board believes that there is value to having continuity of directors who have experience with the Company. Accordingly, there are no limits on the number of terms for which a director may hold office.

Retirement and Board Assessment

The Board has determined that it is in the best interests of the Company not to have a mandatory retirement requirement for directors. Rather, the Corporate Governance and Nominating Committee, working with the Lead Director, will carry out an annual assessment of the Board, the committees of the Board, and each director to assess the overall performance of the Board, of each committee and of each director. The annual assessment will also be used to identify skill gaps and education opportunities for the Board and individual directors in the coming year, as well as for Board succession planning. The annual assessment process will be designed and reviewed annually by the Corporate Governance and Nominating Committee, working in conjunction with the Lead Director. The Corporate Governance and Nominating Committee and the Lead Director will report their findings and make appropriate recommendations to the full Board. The Board will discuss the evaluation to determine what, if any, action could improve Board, Board committee or individual director performance.

Other Board Services

The Board has not adopted guidelines limiting the number of other boards on which a director may serve. However, directors should recognize that board and committee service requires significant time and attention in order for a director to properly discharge his or her responsibilities.

The Board has adopted the guideline that there shall be no more than two board interlocks at any given time. A board interlock occurs when two of the Corporation's directors also serve together on the board of another public company.

Service on boards or committees of other organizations should be consistent with the Company's conflict of interest standards as set out in the Company's Code of Business Conduct and Ethics. Directors should advise the Chairman of the Board and the Chairman of the Corporate Governance and Nominating Committee prior to accepting a directorship of any public company, or of any actual or potential competitor, business partner or significant investor of the

Company, and should keep them fully apprised of the committees of any such boards on which they serve.

If a member of the Company's Audit Committee simultaneously serves on the audit committees of more than two public companies, the Board, with the assistance of the Corporate Governance and Nominating Committee, will consider the matter and determine whether such simultaneous service may impair the ability of such member to serve on the Company's Audit Committee.

Management Evaluation and Succession

The Corporate Governance and Nominating Committee is responsible for conducting an annual review of the performance of the Chairman and reporting to the Board regarding such review. The Chairman is responsible for conducting an annual performance review of the senior executives with input from the Lead Director and reporting to the Board and the Compensation Committee, as appropriate, regarding such review.

The Compensation Committee is responsible for conducting an annual review of the compensation of the Chairman and the Co-Presidents, and reporting to the Board regarding such review and the Compensation Committee's recommendations flowing from that review, for approval by the Board.

The Corporate Governance and Nominating Committee is responsible for reviewing and making recommendations to the Board as appropriate in connection with the Company's succession planning with respect to the Chairman and the senior executives.

Review of Guidelines

The Board, with the assistance of the Corporate Governance and Nominating Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

Amendment, Modification and Waiver

These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Corporate Governance and Nominating Committee.