

TERMS OF REFERENCE - GOVERNANCE AND ACCOUNTABILITY COMMITTEE
CLIMATE CHANGE AND EMISSIONS MANAGEMENT (CCEMC) CORPORATION

DATE OF APPROVAL: JUNE 24, 2009

A. BACKGROUND

The Climate Change and Emissions Management (CCEMC) Corporation (“CCEMC”) has the corporate authority to appoint a Governance and Accountability Committee.

The Board meets regularly to set policy and direction for CCEMC. Management oversees and carries out the day-to-day activities of CCEMC under the general direction and policy of the Board.

As a means of ensuring management’s activities are consistent with Board policy, and to help ensure emerging issues are dealt with by management in a way that is consistent with the vision of the Board, the Governance and Accountability Committee is to make itself available on a more frequent basis to management to assist in various aspects of the management of CCEMC.

The Governance and Accountability Committee also assists the Board with fulfilling its oversight responsibilities to ensure CCEMC has an effective corporate governance regime. The Governance and Accountability Committee generally monitors corporate governance developments, emerging best practices and the effectiveness of CCEMC’s governance practices. It is responsible for carrying out and making recommendations on Board and director evaluations, evaluations of CCEMC management (“Management”) and succession planning. Its mandate is specifically set out in these terms of reference.

B. COMPOSITION OF THE GOVERNANCE AND ACCOUNTABILITY COMMITTEE

1. The Board Chair shall be a member of the Governance and Accountability Committee.
2. The Board may appoint at least one (1) and no more than three (3) additional Board members to the Governance and Accountability Committee, who will serve on the Committee in addition to the Board Chair.

C. RESPONSIBILITIES OF THE GOVERNANCE AND ACCOUNTABILITY COMMITTEE

The Governance and Accountability Committee is responsible for:

1. Planning and reporting
 - (a) ensuring the Board adopts and implements at least annually a strategic planning process and annual calendar; and

- (b) developing organizational objectives which the Management is responsible for meeting and recommending same to the Board for approval.

2. Board, Committee and Executive Evaluations

- (a) developing, with the Management, position descriptions for:

- (i) the Board;
- (ii) Management;

and recommending adoption of position descriptions to the Board. Position descriptions shall be consistent with CCEMC's Bylaws and policies and should include limits on authority and describe where Board approval is needed. Position descriptions should describe expectations for outcomes and deliverables;

- (b) reviewing Management goals at least twice per year and evaluate performance against them, and reporting results to the Board;
- (c) ensuring management evaluations and performance reviews are completed at least annually, and reporting results to the Board;
- (d) developing a Board evaluation process and overseeing Board evaluations;
- (e) developing compensation philosophy and guidelines for executive and Board compensation; and
- (f) recommending Management compensation to the Board for approval.

3. Governance and Succession

- (a) making recommendations to the Board regarding governance and effectiveness issues, including best practices;
- (b) monitoring corporate governance practices of CCEMC;
- (c) leading the process for Board succession planning;
- (d) planning for management succession;
- (e) considering competencies and skills needed on the Board and recommend Board member requirements;
- (f) developing a Board member orientation program for new Board members;

- (g) developing a plan for Board educational seminars and opportunities, including presentations, project proponents, industry events and seminars; and
- (h) reviewing information on available external educational opportunities and make directors aware of the relevant opportunities.

D. COMMITTEE MEETINGS

- 1. At each meeting of the Governance and Accountability Committee:
 - (a) expenses and revenues will be reviewed; and
 - (b) non-audit services performed by auditors or other financial service providers will be reviewed.

E. RESPONSIBILITIES OF MANAGEMENT

- 1. Management is responsible for:
 - (a) ensuring the Governance and Accountability Committee is provided with timely and accurate financial statements and reports, and management reports;
 - (b) ensuring expenditures made are as budgeted;
 - (c) ensuring the Governance and Accountability Committee has complete information in order to make assessments and evaluations or provide direction;
 - (d) maintaining all records and recommendations of the Governance and Accountability Committee; and
 - (e) overseeing compliance with agreements, arrangements and instructions made by the Governance and Accountability Committee.

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