CDSPI Governance Charter – Board Committees

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CDSPI Board Committees

All Committees report to the Board through a Committee Chair. The primary function of any Committee is to deal with specific items of business that the Board has allocated to it, and, to report the highlights to the Board and make recommendations for the Board's consideration.
CDSPI supports the best practice that every Board Committee, whether it is a standing or ad hoc Committee, should have a **written mandate** and an appropriate **methodology** in place - a process that is empirical, objective and repeatable. In that way, the Board Committee will act diligently and be able to accomplish its goal.

The written mandate should clearly outline the Committee's purpose and responsibilities. This will greatly enhance the Committee's focus, effectiveness and engagement.

Committee members and the Committee Chair are appointed by the CDSPI Board of Directors on an annual basis. Membership for each Committee should comprise entirely of Directors.

A Committee should be composed of at least three Directors, including a Committee Chair. The number of Committee members is at the discretion of the Board. In fact, the Board as-a-whole may be members of a specific Committee.

Any member of the Committee may be removed or replaced at any time by the Board of Directors.

Any Committee, in consultation with the Chair of the Board, may engage any special advisors it deems necessary to provide independent advice or expertise, at the expense of the Corporation.

The CDSPI Board has established four (4) specific Committees: Audit Committee, Risk Management Committee, Human Resources Committee, Nominating/ Governance Committee.

Membership of Board Committees

Current Committee Chairs and Members can be found on the on the CDSPI website at: https://www.cdspi.com/about-us/board-of-directors/. Additionally, after the AGM, once the election results are in, the Corporate Secretary will publish a list for the Board

Audit Committee

The **Mandate of the Audit Committee** is to help the Board ensure the integrity of the Corporation's financial statements, the effectiveness of its audit processes, and compliance with applicable financial reporting laws, regulations and policies. The Committee shall:

1. Oversee the integrity of the Corporation's financial statements, accounting practices and internal control environment.

2. Oversee the independence, qualifications and performance of the independent auditor.

3. Oversee the Corporation's audit activities.

4. Oversee the Corporation's compliance with financial reporting laws and regulations and financial related internal policies coordinating with the **Risk Management Committee** as appropriate.

Risk Management Committee

The **Mandate of the Risk Management Committee** is to implement a process to help the Board minimize risks while maximizing opportunities for CDSPI. The Committee shall:

1. Assume an oversight role with respect to ensuring the identification and assessment of major areas of risk.
2. Approve strategies, plans and procedures to manage those risks.
3. Review compliance with risk management policies.
4. Review reports related to compliance with regulatory and legal matters, coordinating with the **Audit** Committee as appropriate and reporting findings to the Board during the Committee update.

Human Resources Committee

The **Mandate of the Human Resources Committee** is to:

1. To ensure there is a fair and equitable process in place for the evaluation and compensation of the President and/or CEO;
2. Review and recommend to the Board for approval, the President and/or CEO's compensation including benefits, considering performance and prevailing market conditions;
3. Review succession plan for the President and/or CEO on an annual basis;
4. Review an annual report from the President and/or CEO on the evaluation, compensation and development process for the senior management team;
5. Assist the Board in its oversight role with respect to human resources strategy, policies and programs and all matters relating to the proper utilization of human resources.

Nominating/Governance Committee

The **Mandate of the Nominating/Governance Committee** is to:

1. Assist the Board in its oversight role with respect to the development of CDSPI's corporate governance principles, policies, practices and processes.
2. Review and recommend policies and processes to sustain ethical behavior within CDSPI, including an annual review of the Directors' Code of Conduct and Policy on Conflicts of Interest.
3. Oversee the annual evaluations of the Board, Directors and Committees, which determines the effectiveness of the Board and its' Committees.
4. Oversee procedures for resolving conflicts of interest.
5. Determine criteria and identify individuals qualified and suitable to become Board Members and recommend Director nominees to the Board for election at each Annual General Meeting (AGM) of the Members. Confirm with each Board member prior to the AGM, that they wish to stand for another term.
6. Ensure that CDSPI has a thorough process in place for the orientation, including extensive education sessions, along with required documentation such as the Governance Manual, and education of new Directors to the Board.
7. Encourage Director continuing development and education.
8. Recommend a list of Chairs and members for each Board Committee at the first meeting of the Board following the elections at the AGM. Rotation of Committee members to be considered.
9. Ensure all Committee mandates are reviewed by each Board Committee and updated as required.
10. Review and make recommendations concerning Director Compensation.
11. Review non-management Board members' independence from CDSPI.
12. Review and assess the adequacy of this mandate at least annually and where necessary, recommend changes to the Board for approval.

All suggestions and nominations for potential new Directors should be sent to the Nominating/Governance Committee, c/o CDSPI Board of Directors, 2005 Sheppard Ave. East, Suite 500, Toronto, ON Canada M2J 5B4, or emailed to the Corporate Secretary at nnikolakakos@cdspi.com