

Guidelines for the COSCAP Board of Directors

Role of the Board

The principal role of the Board of Directors (the "Board") is stewardship of the Company with the creation of shareholder value, including the protection and enhancement of the value of its assets, as the fundamental objective. The Board must assess and ensure systems are in place to manage the risks of the Company's business with the objective of preserving the Company's assets. The Board, through the Chief Executive Officer ("CEO"), sets the attitude and disposition of the Company towards compliance with applicable laws, environmental, safety and health policies, financial practices and reporting. In addition to its primary accountability to shareholders, the Board is also accountable to employees, government authorities, other stakeholders and the public.

Specifically, the Board shall seek to:

1. Provide overall direction and leadership for COSCAP's corporate strategy and ensure its effectiveness as a business.
2. Ensure that the organisation fulfils the remit of its legal requirements as a Company - the Board must ensure that the necessary internal controls and management systems are in place that effectively monitor the Company's operations and ensure compliance with applicable laws, regulations and policies;
3. Ensure that there are long-term goals and a strategic planning process in place. The CEO, with the approval of the Board, must establish long-term goals for the Company. The CEO formulates the Company's strategy, policies and proposed actions and presents them to the Board for approval. The Board brings objectivity and judgment to this process. The Board ultimately approves, on an annual basis, the strategic plan which takes into account, among other things, the opportunities and risks of the Company's business
4. Approve organisational strategies, action plans and budgets and monitor their achievement through the receipt of regular progress reports;
5. Provide a support and challenge function to COSCAP's CEO and members of the management team as appropriate;
6. Define the appetite for risk and the framework within which the management team can operate - the Board must identify and have an understanding of the principal risks associated with the Company's businesses, and must ensure that appropriate systems are in place which effectively monitor and manage those risks;
7. Support, monitor and evaluate COSCAP and its management team's performance;
8. Delegate powers to the Board Committees and the management team;

Board Meetings

1. The Board will meet at least four times a year;
2. The Board agenda will be set by the Board
3. The Board agenda and any papers will be circulated 7 days before a meeting of the Board;
4. The minutes of Board meetings will be circulated to board members and the consent agenda will be utilised;
5. The Board's atmosphere and culture will encourage open and constructive debate;
6. The Board will promote collective responsibility and act in the best interests of COSCAP;

7. The CEO and Accountant will attend Board meetings in an ex-officio capacity

Guidelines for Individual Directors of COSCAP

The Terms of Reference for an Individual Director outlines the personal and professional characteristics required of all Directors. The Terms of Reference are used as the basis for the evaluation of individual Director performance and also acts as a model for establishing the general attributes and expectations of new directors.

Broadly speaking, a Director has three fundamental elements to keep in mind:

1. Honesty and Good Faith

Directors must act honestly and in good faith in the best interests of the Company. The key elements of this standard of behavior are: a) a Director must act in the best interests of the Company and not in his or her self-interest. This also means a Director should not be acting in the interests of any special interest group or constituency where such interest conflicts with the best interest of the Company; b) a Director cannot take personal advantage of opportunities that come before him/her in the course of performing his/her corporate duties; c) a Director must disclose to the Board any personal interests that he/she holds that may conflict with the interests of COSCAP d) a Director must respect COSCAP's confidentiality requirements.

2. Exercise Care and Diligence

Directors must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means: a) the standard of behavior expected of a Director will depend upon the particular qualities or characteristics of the Director in relation to the particular matters under consideration b) the Director must be proactive in the performance of his or her duties by:

- i) Subject to extenuating personal or professional circumstances, Directors are expected to attend all meetings of the Board and of the Committees to which they belong, with issues of non-compliance being referred to the Chairman of the Board.
- ii) participating in meetings in a meaningful way
- iii) being vigilant to ensure that COSCAP is being properly managed and is complying with the law.

3. Disclosure of Interests

- (a) A Director who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Company shall disclose the nature and extent of that interest in accordance with the relevant legislation and COSCAP policies
- (b) a Director who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created in conflict with that Director's duty or interest as a Director, shall declare the fact, and the nature and extent of the conflict or potential conflict in accordance with the provisions of legislation and COSCAP policies.

General Principles Each Director will make decisions so as to:

- ensure high standards of transparency and accountability;

- minimize the cost of COSCAP's operations
- strive for continuous improvement in operations;
- provide a culture of honesty and integrity.

General

As a member of the Board, each Director will:

- Demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on and remain accountable for their boardroom decisions.
- The Board will deliberate in many voices but govern in one.
- Provide wise, thoughtful counsel on a broad range of issues and develop the depth of knowledge to understand and question the assumptions upon which the strategic and business plans are based and to form independent judgment as to the probability that such plans can be achieved.
- Possess or acquire at least basic financial literacy at least to read financial statements through the guidance of the Treasurer and/or Manager, Administration and Accounts who will be responsible for explaining these in detail
- Respect confidentiality (each Director must sign the COSCAP Directors' Confidentiality Agreement)
- Advise the Chairman in advance of introducing significant and previously unknown information at a Board meeting
- Communicate with the Chairman, as necessary and appropriate, between meetings
- Demonstrate a willingness and availability for individual consultation and engage in such consultation with the Chairman
- Be a positive force, using abilities and influence constructively.

Preparation and Attendance

To enhance the effectiveness of Board and Committee meetings, each Director will:

- Prepare for each Board and committee meeting by reading the reports and background materials provided for the meeting
- Maintain an excellent Board and Committee meeting attendance record and
- Request information necessary for decision making

Communication

For directors who value Board and team performance over individual performance, and who possess respect for others, facilitate superior Board performance, communication is fundamental and therefore, each Director is expected to:

- Participate fully and frankly in the deliberations and discussions of the Board
- Demonstrate an openness to others' opinions and the willingness to listen and appreciate that this quality ranks as highly as the ability to communicate persuasively
- Approach others assertively, responsibly and supportively, and be willing to raise tough questions
- Establish an effective, independent and collegial relationship with other directors
- Focus inquiries on issues related to strategy, policy and results rather than issues relating to the day-to-day management of COSCAP.

Committee Work

In order to assist Board committees in being effective and productive, each Director will:

- Participate as requested on committees and become knowledgeable about the purpose and goals of each committee and
- Understand the process of committee work and the role of management and staff supporting the committee.
- Share their specific industry and corporate knowledge
- Recognising that decisions can only be made by well-informed Directors, each Director will:
- Become generally knowledgeable of the business of COSCAP
- Participate in Director orientation and development programmes developed by COSCAP from time to time
- Maintain a current understanding of the legislative, business, social and political environment within which COSCAP operates.