



PTAC Petroleum Technology Alliance Canada

CORPORATE GOVERNANCE POLICY

Version: 1-December-2008

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What is corporate governance?

Corporate governance is the system by which organizations are directed and managed. It influences how the objectives of the **organization** are set and achieved, how risk is monitored and assessed, and how performance is optimized. The PTAC Board of Directors, in fulfilling its responsibilities for providing both strategic and fiduciary oversight of PTAC, shall ensure that an appropriate corporate governance system is put in place, maintained and periodically updated by PTAC.

Good corporate governance structures encourage organizations to create value (through ingenuity, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

How is good corporate governance achieved?

What constitutes good corporate governance will develop with the changing circumstances of an organization and must be adapted to meet those circumstances. Best practice must also evolve with industry association developments both in Canada and abroad.

There is no single model of good corporate governance. This document articulates six vital principles which PTAC believes underlie good corporate governance. Each principle is explained in detail, with implementation guidance in the form of best practice recommendations. Each principle is equally important.¹

The following recommendations are not compulsory and taken alone, cannot prevent corporate failure or mistakes in corporate decision-making; however, they can provide a reference point for enhanced structures to minimize problems and optimize performance and accountability.

The fundamentals

Fundamental to any corporate governance structure is establishing the roles of management and the Board with a balance of skills, experience and independence on the

Board appropriate to the nature and extent of PTAC operations. There is a basic need for integrity among those who can influence an organization's strategy and financial performance, together with responsible and ethical decision-making.

Meeting the information needs of a modern not-for-profit association is also paramount in terms of accountability. Presenting an organization's financial and non-financial position requires processes that safeguard, both internally and externally, the integrity of reporting.

Every business decision has an element of uncertainty and carries a risk that can be managed through effective oversight and internal control. Keeping pace with the modern risks of business and other aspects of governance requires formal mechanisms that encourage enhanced Board and management effectiveness. The impact of an association's actions can be diverse and good governance recognizes the legitimate interests of all stakeholders.

Why is it important to PTAC?

Noticeably good corporate governance practices are increasingly important as PTAC matures organizationally. PTAC's history and corporate development, in the following outline, demonstrate a commitment to excellence in governance practices that places PTAC in a position of strength. However, it is important to review these practices to ensure that PTAC continues to operate on the leading edge of best practices.

¹. ASX Principles of Good Corporate Governance and Best Practice Recommendations, p. 3.

History

PTAC Petroleum Technology Alliance Canada began as a not-for-profit association to facilitate collaborative research and development to improve the financial, environmental and safety performance of the Canadian upstream conventional oil and gas industry. As a result of a strategic plan review held in 1998, PTAC's mandate was enhanced to include innovation and technology transfer. With the approval of PTAC membership, PTAC's mandate was expanded in 2003 to increase the adoption of eco-efficient, and greenhouse gas (GHG)-reducing technologies for the hydrocarbon industry.

In the past, much of the industry's technology had been developed through proprietary research carried out by large international oil companies, supplemented with university and government sponsored programs. However, this proprietary model failed to deliver the level of research and technology development (R&D) required for Canada's maturing oil and gas fields to remain competitive with other worldwide resources.

The initiative for PTAC started with the Vice Presidents' Breakfast Club, an informal group of executives responsible for conventional oil and gas production operations in 25 Canadian petroleum companies. Concerned about the decrease in industry R&D, the group commissioned a study to ascertain interest in a new approach – one based on collaboration. A positive response led to a multi-stakeholder workshop and steering committee that ultimately designed and founded PTAC.²

Mandate/Mission/Purpose

PTAC provides the structure that brings stakeholders together to identify industry problems and opportunities, and define research projects to deal with them. The objective is to leverage intellectual and financial resources from across the industry, apply them to solving industry problems, capture opportunities, and improve industry performance.

PTAC will accomplish this objective as an inclusive organization which facilitates innovation, technology transfer, collaborative research and development, and eco-efficient and greenhouse gas-reducing technologies for the hydrocarbon energy industry.³

Beliefs and Values

PTAC operates under the following beliefs:

- The Canadian petroleum industry must collectively compete with the international energy industry.
- The application of new technologies can make the Canadian petroleum industry more competitive by reducing finding and development costs, reducing operating costs, increasing rates of production, increasing recovery from existing reserves and improving the safety and environmental performance of the industry.
- Collaboration results in faster problem-solving, better identification of opportunities, improved quality of new technologies, and leverage of financial and intellectual resources.
- Technology development resources must be focused on problems and opportunities that will have a meaningful impact on industry performance.
- All stakeholder groups, including oil and gas producers, petroleum service and supply companies, pipeline companies, technology developers and suppliers, research providers, learning institutions, investors, resource owners, and individuals supportive of PTAC's goals and objectives who are knowledgeable in the petroleum industry, will benefit from an industry that is financially sound and on the leading edge of technology development.
- The benefits of new technology will be the greatest when new technology is rapidly implemented and widely dispersed throughout the Canadian petroleum industry.
- Stakeholders must identify areas where entire bodies of knowledge should be moved forward.

² The Road to Collaborative Research & Technology Development, p. 1.

³ The Road, p. 5.

- Spending on technology development should be increased by combining the resources of all stakeholder groups.
- The old model of delivering proprietary research is much less effective because of changed industry demographics, downsizing, and realignment of priorities within industry, government and learning institutions.
- Individual petroleum companies benefit primarily through the application of technology, not the individual ownership of it.
- PTAC respects the value of, and the need to protect, proprietary technology by some stakeholders.
- PTAC should facilitate collaboration, but not be a performer of research.
- The primary responsibility for identifying industry problems and opportunities resides with the petroleum companies and other users; all stakeholders should be involved in identifying and defining research and technology development projects that could address these problems.
- Fixed costs, administration costs and capital expenditures should be minimal in order to ensure that spending is focused on core activities that meet the goals and objectives of PTAC as described herein.
- The cadre of research providers in Canada collectively have the facilities, people and expertise to address most of the Canadian petroleum industry opportunities and problems.
- World-class organizations with the ability to conduct research, develop new technologies and deliver well-trained people exist in Canada.⁴

PTAC Founding Principles

Consistent with these beliefs, the governance, organization, structure, financing, policies, and work processes of PTAC shall be based on the following PTAC principles:

- The activities of PTAC shall be focused on the upstream oil and gas industry.
- All stakeholders and stakeholder groups shall have the opportunity to be involved through voluntary participation on the Board of Directors, committees, steering committees or projects.
- It is desirable to have diversity in the membership so that a broad spectrum of experience, ideas, talent, and opinion is brought to bear on problems, solutions, and opportunities.
- The structure, policies, and practices shall not discourage stakeholders from being members and participating in projects.
- PTAC will promote collaboration among stakeholders, identify industry problems and opportunities, describe research projects that address these problems, and facilitate the conduct of joint research projects – but not perform research.
- PTAC will facilitate innovation, technology transfer and collaborative research and development.
- PTAC will facilitate eco-efficient and greenhouse gas reducing technologies for the hydrocarbon energy industry.
- PTAC will play an active role in identifying the combination of applied research and basic research required to continuously advance bodies of knowledge in areas critical to the petroleum industry.
- PTAC will encourage stakeholders to conduct the research necessary to advance critical bodies of knowledge that are not being addressed through industry problem-solving, opportunity-based research and technology development.
- PTAC's organization, policies, and work processes will promote collaboration and alliances among research providers.
- Research projects conducted under the umbrella of PTAC will be financed by those members who elect to participate in individual projects.
- PTAC will encourage rapid and broad transfer of technology; however, the owners of technology and those funding the related projects will decide on the use and distribution of new technology on a project-by-project basis.
- Policies and work processes will promote research being done in a timely and effective manner at the most effective institutions worldwide, recognizing that it is preferable to have facilities and core competencies within Canada.

⁴ The Road, p. 5.

- PTAC will encourage the elimination of duplication of efforts by identifying potentially redundant ongoing projects and informing both research providers and sponsors.⁵
- PTAC will ensure that it does not become a political lobby or advocacy group with respect to the development of government, regulatory or industry policies or procedures – and will not seek to speak on behalf of the Canadian petroleum industry with respect to these matters.
- However, PTAC will be an open advocate for innovation, technology transfer, collaborative research and development, and for the development of eco-efficient and greenhouse gas-reducing technologies for the hydrocarbon energy industry for the benefit of all stakeholders.

Long-term Goals

The success of PTAC will be measured by the following goals, in no particular order of importance:

- The number of members, the number of collaborative research and technology development projects that are managed and completed, the total investment in research, the ability to identify needs, and the number of participants in each project.
- The effectiveness in delivering cost-effective solutions to technical problems and responding to new opportunities within a reasonable time-frame.
- The improvement in the competitiveness of the industry brought about by the application of new and better technologies.
- Decreasing finding and on-stream costs per BOE, by a significant percentage.
- Decreasing the cost of lifting, processing, and transporting oil and natural gas by a significant percentage.
- Decreasing the frequency and severity of accidents and near-misses.
- Decreasing the incidence of oil and gas pollution and the amount of net emissions discharged into the atmosphere.
- Increasing technology transfer within and across the Canadian petroleum industry.
- Increasing the ultimate recovery of hydrocarbons by a significant percentage.

Six Vital Corporate Governance Principles

PTAC will employ the following sound corporate governance principles:

- 1. Lay solid foundations for management and oversight. 7**
Recognize and publish the respective roles and responsibilities of the PTAC Board of Directors and PTAC management.
- 2. Structure the PTAC Board to add value. 9**
Maintain a Board with an effective composition, size and diversity of stakeholders, and with commitment to discharge its responsibilities and duties.
- 3. Promote ethical and responsible decision-making. 16**
Actively promote ethical and responsible decision-making
- 4. Safeguard integrity in financial reporting; recognize and manage risk. 18**
Maintain a structure to independently verify and safeguard the integrity of PTAC's financial reporting, and establish a sound system of risk oversight, management and internal control.

⁵ The Road, p. 6.

- 5. Encourage enhanced performance.** **20**
Fairly review and actively encourage enhanced Board and management effectiveness.
- 6. Recognize the legitimate interests of stakeholders.** **21**
Recognize obligations to all legitimate stakeholders.⁶

1. Lay solid foundations for management and oversight

Recognize and publish the respective roles and responsibilities of Board and management.

PTAC's structure is designed to:

- Enable the **Board of Directors** to provide strategic guidance and effective oversight to PTAC.
- Clarify the respective roles and responsibilities of **Board members** and senior management to facilitate mutual accountability and ensure the accomplishment of strategic goals.
- Ensure that the composition of the Board, its leadership and governance process enables and ensures effective governance to protect the interests and further the objectives of PTAC.

A. **Board of Directors** **Terms of Reference**⁷

1. Leadership

The Board of Directors will focus on strategic leadership that will emphasize:

- The Beliefs, Values and Founding Principles of PTAC.
- The future rather than the past and present.
- A clear distinction between the roles of the Board and staff.
- Proactivity rather than reactivity.
- Mentoring and guiding the President of PTAC to ensure that strategic goals are met.

The Board of Directors will direct, control and inspire the organization through the careful deliberation and establishment of strategies and policies, and assessment of critical organizational risks for the benefit of PTAC. Board policy, Board-approved motions and broad mutually-derived strategies will then be implemented by management and staff.

2. Governance Process

The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to Board member attendance, exhibiting mutual dignity and respect, respecting clarified roles and self-policing to avoid straying from rigorous governance.

The Board will ensure continuous improvement through systematic organizational and performance reviews, including periodically updating governance policies. This shall be led by the Chair of the Board, reflecting Board performance and evolving governance best practices within the industry.

Each new member of the Board will receive a thorough orientation prior to joining the Board, and while that orientation may vary based on the needs of new members, it will include:

- A review of PTAC bylaws and this PTAC Corporate Governance Document

⁶ Op. cit., ASX Principles, p. 11.)

⁷ Petroleum Industry Training Service Governance Document, December 2003, pp. 2-3.)

- A broad review of PTAC activities and organization.
- A review of the Board of director's schedule of meetings for the year.
- Specific roles, responsibilities, expectations and benefits of the Board members.
- The role of committees and resources available to Board and committee members.
- Methods and policies for reporting and communicating within and outside PTAC.
- Performance expectations of individual Board members, including attendance at all Board meetings and key PTAC meetings/events.

The Board of Directors sees the development of policy as providing effective parameters and broad guidelines for the action of the Board of Directors and the President. In fulfilling this responsibility for policymaking, the Board of Directors will ensure that they are in compliance with regulations, bylaws, values and other relevant legal requirements.

Periodically, Board members may be asked to serve on PTAC committees other than Board committees. Each Board member is responsible to clarify his or her role on such a committee.

The President is responsible for the implementation of policy with the exception of policies governing the Board itself. This area is the responsibility of the Board Chair.⁸

3. Board Authority

The Board has the authority to hire and fire the President and to delegate responsibilities to the President and will monitor the President's performance.

The undertakings, enterprise, powers, privileges and assets of PTAC shall be exercised, managed, transacted, conducted and controlled by the Board of Directors.

Except as otherwise provided by law or PTAC's Articles of Association, the Board of Directors may generally exercise all such other powers and do all such acts and things as PTAC may, by PTAC's Articles of Association, or otherwise, be authorized to exercise and do, including, without limitation, the following:

- Establish policies and overall strategic direction for PTAC.
- Modify and update PTAC's Corporate Governance Policy, as required.
- Approve and monitor the annual business plan.
- Approve the strategic plan and monitor the achievement of the resulting **strategic goals**.
- Ensure that critical information is distributed to all Board members for Board deliberations, strategic reviews, and annual budget and quarterly updates of all expected administration costs of PTAC.
- Set limits on the signing authority of the President, and approve expenditures or commitments beyond the signing authority of the President.
- Establish by ordinary resolution and modify by extraordinary resolution the terms and conditions of membership including the schedule of yearly membership fees.
- Approve the appointment of selected members of senior staff as **officers** of PTAC, and revoke these appointments if the Board considers it appropriate.
- Change the place within the Province of Alberta at which the registered office and the records office of PTAC may be situated.
- Establish, direct and receive reports from any committee which it deems necessary to constitute.⁹

4. Designation and Approval of Officers of PTAC

The PTAC Board shall from time to time review, designate and appoint certain employees of PTAC to act as Officers of PTAC for the official conduct of PTAC business. Such officers will

⁸ PITS, p. 3.

⁹ PTAC Petroleum Technology Alliance Canada Articles of Association, October 1996, Article 5.4 - 5.5, pp. 5-6
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be appointed from time to time and for such period as deemed necessary by the Board. The Board may delegate the selection and approval of Officers to the Executive Committee or the Finance and Audit Committee. Any Officer of PTAC shall be deemed to have automatically resigned as an Officer of PTAC immediately upon such person ceasing to be an employee of PTAC, or if such person is a member of the PTAC Board, ceases to be a Board member.

5. Meetings of the Board of Directors¹⁰

Meetings of the Board of Directors will be called by the Chair and held as often as required but at least once every six (6) months. A Special Meeting of the Board of Directors will be convened at the written request of any two Directors which is conveyed to the Board Chair; this request will state the matters to be discussed at the meeting. Each director will receive seven (7) days' notice along with an agenda and supporting details prior to the meeting. Notices for a Special Meeting will be sent by the Board Chair within five (5) days of receiving the written request for the meeting.

Meetings of the Board of Directors may be held at any place within the Province of Alberta. One or more other Directors not present may participate in that meeting by telephone or other communications facilities which permit all persons participating in the meeting to hear each other. A director participating in the meeting by such means will be deemed to be present at the meeting.

The quorum for the transaction of business at any meeting of the Board of Directors may be fixed by the Board of Directors, and unless so fixed shall be the lesser of either a minimum of six Board members or a simple majority of the Board of Directors.

At all meetings of the Board of Directors motions shall be decided by a majority of the votes cast by the Directors present in person. Each Director shall be entitled to cast one vote. Votes cast at any Board meeting shall be taken by a show of hands, unless a formal ballot is demanded by any Director present, in which case the vote will be taken by ballot.

During all regular Board meetings, the Directors shall hold an in-camera session without the presence of PTAC management to discuss any matters deemed appropriate by the Board. This will ensure that free and unfettered discussions take place, and that the Board is able to discuss any issues without feeling constrained by the presence of PTAC management.

2. Structure the PTAC Board to add value

Maintain a Board with an effective composition, size and commitment to discharge its responsibilities and duties.

The PTAC Board of Directors will consist of the President of PTAC and paid-up members elected at the Annual General Meeting (AGM) or appointed by the Board between AGMs. In addition, selected senior PTAC staff members may be appointed at the discretion of the Board or included periodically as ad-hoc members when required. All Board members are expected to act on behalf of PTAC as advocates and champions for PTAC, promoting the image and profile of PTAC, and advancing its goals whenever possible. The Chair will be a director and shall have duties and powers specified and delegated in writing by the Board of Directors as contained herein.

A. Chair¹¹

The Chair is selected and appointed by the PTAC Board of Directors. The Chair is the first spokesperson for the PTAC Board of Directors and is also responsible for the conduct of Board

¹⁰ PTAC Articles, Articles 5.5 – 5.6, pp. 6-7.

¹¹ PITS, p. 5.

meetings. He or she will ensure that Board meetings are run in compliance with the bylaws and that all Directors have an opportunity to contribute to discussions.

The Chair will ensure that all new Directors have received orientation training with respect to their roles and responsibilities within PTAC, and with respect to the goals and activities of the PTAC organization. All new Board members shall also receive a copy of this Corporate Governance Document or shall be directed to its location on the PTAC website and encouraged to review it.

The Chair of the Board of Directors will be the Chair of any meeting of the Board and in his or her absence the Vice Chair or subsequently the President will act as the Chair. If neither of those persons is present, or has declined to act, the Directors present shall choose a Director to act as Chair for that meeting.

The Chair shall be entitled to vote on all motions during Board meetings. However, in the case of an equality of votes during a Board meeting, whether on a show of hands or on a ballot, the Chair of the meeting at which such a vote takes place shall not be entitled to cast a second vote, and the motion shall be declared lost.

B. Vice Chair

To facilitate succession planning on the Board, the Board will nominate a Vice Chair to assist the Chair in performing the Duties of Chair. The Vice Chair will also act in place of the Chair when the Chair is not present at Board meetings. It is generally expected that the Vice Chair will be formally elected by the Board to the position of Chair when the term for the current Chair has been completed. The Vice Chair position is an opportunity to acquaint future Chair-elects with the function of the Board and the duties of the Chair in order to ensure continuity and continued good governance.

C. Board Members¹²

Board members are expected to meet the following requirements:

- Familiarize themselves with this Corporate Governance Document, and related policies.
- Dedicate sufficient time to prepare for and attend Board meetings, and maintain knowledge of PTAC's business plan, strategic plan, and current issues.
- Attend meetings as required to fulfill the Board's legal and administrative obligations.
- Participate actively in Board dialogue and debate.
- Refrain from advocating for any particular stakeholder while representing that particular PTAC stakeholder.
- Be willing to assume special duties from time to time, which may include assisting with a committee or special project.
- Participate in the process of identifying and electing a Board Chair and new Board members.

1. Guidelines for Selecting Directors

Potential Directors of PTAC Board will be recommended to the Board by the Executive Committee or the President. The Executive Committee will review and nominate potential Board members based on established criteria for Board membership, will communicate the Board's expectations for Directors, and will identify special skills that may be required. Directors should have a passion for facilitating innovation, technology transfer, and collaborative research and development in the upstream oil and gas industry.

¹² Governance in the Arctic Institute, September 2003, p. 5.

2. Process for Nominating and Appointing the Chair, Vice Chair and Directors of PTAC:
 - a. The PTAC Executive Committee shall serve as the PTAC Board Nominating Committee to select members of the PTAC Board of Directors, including selection of a new Chair and Vice Chair.
 - b. The PTAC Chair shall designate the Vice Chair or subsequently the President to act as Chair of the Nominating Committee in his/her absence.
 - c. The PTAC Executive Committee is comprised of the PTAC Chair, Vice Chair (Chair-Elect), Past-Chair, the President, the Chair of each standing PTAC Committee, and such other small number of Directors that the Executive Committee may select from time to time.
 - d. In advance of the PTAC Board meeting held each year prior to the PTAC Annual General Meeting, the President shall provide notice to the Executive Committee of any Board vacancies expected for the ensuing year.
 - e. The Executive Committee (acting as the PTAC Board Nominating Committee) shall, prior to the Board meeting held each year in advance of the Annual General Meeting, propose a slate of candidates who are being nominated to the PTAC Board for the following year, consisting of the Chair and Directors. During this nomination process PTAC members may submit the names of nominees to the PTAC President for consideration by the Nominating Committee, no later than 60 days in advance of the AGM.
 - f. During a Board meeting held immediately prior to the Annual General Meeting, the Board of Directors shall review the slate of candidates proposed by the Nominating Committee, then pass a motion to recommend a final slate of candidates for subsequent approval by the members of PTAC during the Annual General Meeting.
 - g. At the Annual General Meeting, the candidates nominated by the PTAC Board of Directors to fill the Board positions shall be proposed to the members of PTAC for election and appointment.
 - h. While there are no term limits that apply to the election and appointment of the Chair or Directors of PTAC, each Director must be re-elected yearly by the members of PTAC at the Annual General Meeting. Directors may be re-elected and appointed for any number of successive terms. For continuity, it is expected that the PTAC Chair-elect will serve for a minimum of two successive years before his/her successor is elected and appointed.
 - i. Directors who are elected and appointed at the Annual General Meeting shall serve in their position until their successor has been elected and appointed - or until a Director's earlier death, resignation or removal. A director may resign at any time upon written notice to PTAC. The resignation shall be effective upon receipt thereof by PTAC or at such subsequent time as may be specified in the notice of resignation.
 - j. Should the Chair or a Director resign during the course of a year, the Executive Committee (acting as the Nominating Committee) may nominate a replacement. The nomination will be reviewed by the entire Board of PTAC who shall, if they deem it appropriate, pass a resolution to approve the appointment of the replacement. Such replacement Directors shall serve on the Board until the next Annual General Meeting, at which time the new Director must be elected by the members of PTAC in the normal course.
 - k. Replacement Directors who are elected to the PTAC Board shall not attend the Board meeting during which their appointment to the Board is being considered. The successful candidate will be invited to attend the next Board meeting following the meeting in which the new Director is appointed to the Board.
 - l. When nominating candidates, the Nominating Committee shall take into account the range and experience required from Board members relative to PTAC's priorities and strategies, the challenges that may be facing PTAC, the importance of active participation and engagement by Board members, and a desire to involve senior executives from the various PTAC member organizations. The Nominating Committee shall endeavor to nominate candidates who reflect a balance between the various PTAC membership categories and other key stakeholders. Nominated candidates shall also be selected to ensure continuity within PTAC.

m. The Executive Committee may propose changes to the procedure for nominating and appointing the Chair and other Directors of PTAC provided that such changes are approved by the Board of PTAC through formal motion.

3. Remuneration for Directors

Directors of PTAC shall receive no remuneration from PTAC for acting as such. However, Directors may enter into service contracts with PTAC that are not related to their role as a director and receive remuneration there under, provided that any such contract must be approved by an **extraordinary resolution** of the Board of Directors and further provided that the director whose service contract is under consideration shall not participate in the discussion, consideration or vote in respect of such services contract.

4. Reimbursement of Reasonable Expenses for Directors

Notwithstanding the foregoing, a Director may be reimbursed for reasonable expenses incurred by him/her in the performance of his/her duties when such duties are requested by PTAC.

D. President¹³

The President is the Board's single official link to the operating organization, is accountable for organizational performance, and exercises all authority transmitted into the organization by the Board.

The Board of Directors has the ultimate responsibility for the operation of PTAC. In order for the Board to govern at a level above daily operational matters, the Directors support the principle of delegation to the President. To facilitate optimum effectiveness, the Board delegates the implementation of operations and subsidiary policy development to the President, including:

- Business and financial planning
- Management of employees and standard employment-related matters
- Staff expense accounts and payroll
- Capital and operating expenditures
- Vendor management
- Contracts
- President backup and delegation of authority during absences
- Membership recruitment and organizational enhancement

The Board will govern through explicit policies which address the topmost level of organizational values; the President's job function can be summarized as:

1. Helping the Board to fulfill its functions.
2. Directing the organization so that the strategic plan is implemented, tactical goals for the organization are realized and Board policies are implemented.

Subsidiary to the above, the President will be responsible for fulfilling the following duties:

- Promote PTAC and its objectives to the industry, stakeholder groups and others.
- Conduct marketing, stakeholder awareness and public relations activities.
- Recruit and sign up new **PTAC members**, retain existing members, and manage PTAC's relationship with members.
- Maintain PTAC's relationships with key stakeholders.

¹³ PITS, p. 4.

- Approve the hiring and dismissal of PTAC staff and provide organizational direction to maintain PTAC staff development and morale.
- Direct the day-to-day activities of staff, either directly or through approved delegation of authority.
- Manage Board-approved budgets, organize administrative programs, information systems and procedures.
- Create and provide direction for **Technical Steering Committees, Project Steering Committees** and **Working Groups**.
- Provide instructions to the Secretary on all governance matters.
- With input from the Chair, prepare the agenda and ensure availability of all decision support information for PTAC Board meetings and Annual General Meeting.
- Assist the Board Chair and Board committees, as appropriate, in the organization of Board and Board committee meetings, and the conduct of their duties.

The President will be responsible for the financial and program performance of PTAC through financial planning, tracking and reporting the financial condition of PTAC, management of risks and protection of PTAC's assets, and will provide regular summary reports to the Board.

3. Financial Planning,¹⁴ Financial Condition and Asset Protection¹⁵

With respect to planning fiscal management systems, tracking and reporting, the President will align his or her actions with the Board's strategic plan and uphold the fiscal integrity of the organization. Accordingly, he or she may not cause or allow budgeting which violates generally accepted accounting principles (GAAP) in the following ways:

- Plan the expenditure in any fiscal year of greater operating funds than are conservatively projected to be received in that period.
- Maintain records that contain too little information to enable reasonably accurate projection of revenues and expenses, separating of capital and operational items, cash flow and subsequent **financial audit** trails and disclosure of planning assumptions.
- Allow current liquid assets to fall below a level that meets PTAC's liabilities.
- Allow a short-term cash flow deficiency.
- Fail to record any assets or liabilities, including failure to write off receivables that are not deemed collectible within a reasonable period of time.
- Mis-characterize or mis-classify any expenses or obligations.
- Allow PTAC employees to make expenditures, accept liabilities or agree to obligations that are outside the delegation of authority granted to the person approving such obligations.

4. Financial Condition and Asset Protection¹⁶

The President will operate PTAC in a sound and prudent fiscal manner to prevent the development of fiscal jeopardy or loss of PTAC's integrity. Accordingly, he or she will:

- Ensure PTAC expends no more funds than have been received in the fiscal year to date.
- Commits on his or her own authority only capital expenditures or liabilities or obligations that are less than \$50,000 unless such expenditures have been pre-approved by the Board.
- Prevent cash from dropping below the amount needed to settle payroll and debts and obligations in a timely manner.
- Disburse funds under sufficient controls to meet standards required by an audit.
- Ensure tax payments, employee withholding, or other government ordered payments, statutory deductions or filings are filed accurately and on time.

¹⁴ Ibid., Appendix 2

¹⁵ PITS, Appendix 2, pp. 2-3.

¹⁶ PITS, Appendix 2, pp. 2-3.

- Ensure that all expenditures are made within defined delegations of authority whose level is appropriate to the position of the employee granted such delegation, and consistent with the principles defined herein.
- Ensure that sufficient controls and separation of duties are in place within the PTAC employee organization to minimize opportunities for conflict of interest and prevent inappropriate use of funds.

With respect to proper stewardship of PTAC's assets, the President may not risk losses beyond those necessary in the normal course of business. Accordingly, he or she will:

- Insure against theft and casualty losses to cost effective and prudent levels.
- Protect PTAC and its directors and officers against liability losses to cost effective prudent levels.

PTAC wishes to ensure that the impact of any unexpected catastrophic loss of capital assets is as minimal as possible; therefore, PTAC will strive to achieve a minimum **operating reserve fund** (contingency fund) to cover twelve (12) months of current operating expenses as determined by the Board from time to time. The President will:

- Ensure that any financial reserve fund is maintained at the level approved by the Board of Directors from time to time.
- In connection with the ongoing business of the organization, the following guidelines represent the investment philosophy of the organization and management's subsequent obligations:
 - The principal investment objective of the organization is to ensure the investment funds are managed conservatively to ensure there is no loss of funds.
 - The **operating reserve fund**, defined as funds the organization does not immediately require for business operations in the current year, will only be invested in securities of, or guaranteed by, the government of Canada or any Canadian province, or guaranteed certificates of deposit or interest bearing accounts of Canadian chartered banks or trust companies or in prime investment-grade money market funds that invest in similar guaranteed securities.
 - Management of the organization is not permitted to employ an aggressive investment strategy utilizing any or all of the following investment techniques:
 - Purchasing equity securities or derivatives of any type, including any investment that may be restricted as to transferability or disposition.
 - Selling securities short.
 - Purchasing options or derivatives on equity securities, stock market indices, debt securities, foreign securities, commodities and other derivatives or hedging transactions.
 - Entering into swaps.

5. Compensation and Benefits

The President of PTAC will hire staff, set agreed-upon objectives, review staff performance, determine fair staff compensation and benefits, and terminate staff. Within this context, the President shall be responsible for employment equity, a safe, healthy, harassment-free workplace, employee and organizational development, and employee morale.

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the President will uphold PTAC's fiscal integrity and public image. As a result, he or she will:

- Implement the compensation and benefits of the President, as annually reviewed and approved by the Board of Directors.
- Establish current compensation and benefits for staff which:
 - Match the geographical or professional market for employee benefits and skills.

- ii) Prevent unfunded liabilities from occurring or in any way committing the organization to benefits which incur unpredictable future costs.
- iii) Provide an appropriate level of benefits to all full time employees. Manage Board-approved organizational performance bonus program to recognize team and individual contribution and importance to the organization's success.

6. Communication and Advice to the Board

The President of PTAC will communicate with and provide advice to the Board. The President will ensure that the Board is well briefed with accurate, timely information. Accordingly, he or she will:

- a. Acquaint the Board with relevant trends, public events of PTAC, significant external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
- b. Submit appropriate monitoring data and reports in a timely, accurate and understandable fashion to permit the Board to provide organizational oversight and stewardship of results to approved plans and budgets.
- c. Gather views, issues and opinions from internal and external sources as needed for fully informed Board decisions.
- d. Report financial transactions with Board and committee members, other than reimbursement for out-of-pocket expenses related to Board and committee functions.

7. Succession Planning

To protect the Board from sudden loss of the President's services, the President will put into place sufficient executive backup.

In the event of an unexpected prolonged absence of the President, staff will be designated and trained in advance to perform the services of the President. Accordingly, the President will ensure that a designated staff member(s) is familiar with Board and executive issues and processes, and will be ready to provide interim support during the absence of the President.¹⁷

8. Monitoring the President's Performance

The President's performance will be reviewed annually by the Executive Committee. The results of the review will be presented to the full Board for reaction, discussion, amendment and approval.

The President will be an elected director and will have such duties and powers as the Board of Directors specifies.¹⁸

E. Secretary¹⁹

The Secretary function as delegated by the Board plays an important role in supporting the effectiveness of the Board by ensuring that Board policy and procedures are documented, followed, and that Board-initiated action items are documented as resolved. The Secretary coordinates the completions and dispatch of Board agenda and briefing materials and is responsible for documenting the official Board of Directors' and Annual General Meeting minutes and resolutions. The Secretary will be an officer appointed by the Board from among PTAC senior staff and responsible for all statutory filings with regulatory authorities. The Secretary will advise the Chair and President, as appropriate, on matters of meeting procedure and implementation of the Articles of Incorporation, bylaws and appropriate not-for-profit organizations/business regulations applicable to PTAC. The Secretary serves as the primary

¹⁷ PITS, Appendix 2, pp. 4-5.

¹⁸ PTAC Articles, Article 6.3, p. 8.

¹⁹ ASX Principles, p. 48.

resource for Board members with respect to tracking, recalling and reviewing previous resolutions and decisions as they may relate to current or planned matters.

F. Board Committees

The Board committees of PTAC are:

1. Executive Committee (see p. 20)
2. Finance and Audit Committee (see p. 18)
3. Special Committees (below)

The Board may use other committees, as required from time to time, for the purpose of gathering information related to policy issues and outlining options and their implications for the organization. These ad hoc committees will be disbanded once they have completed the specific tasks assigned to them.²⁰

All the committees will be chaired by a Board member, and may include non-Board members as appropriate. The Executive and Finance and Audit Committees will be appointed annually. Special Committees will be struck as required. The committee Chairs will be designated by the Board when the committees are struck or by the committees themselves when they meet for the first time.

The Executive Committee may from time to time appoint Board members to standing committees to achieve quorum for particular meetings.

Special Committees Terms of Reference

1. Composition and Appointment of Members

The Chair of the Committee will be designated by the Board and may include non-Board members. Special Committee members will be appointed by the Board as the committee is struck.

2. Meetings

Special Committees will meet and act as required by the Board mandate given to them.

3. Authority of the Committee

The committee's scope and authority will be approved by the Board. The Board may delegate such authority as it may approve in minuted Board resolutions.

3. Promote ethical and responsible decision-making.

The Board and its members will actively promote ethical and responsible decision-making.

The Board will clarify the standards of ethical behaviour required of PTAC Directors and encourage the observance of those standards.

²⁰ PITS, p. 6.

A. Ethics Policy²¹

Observations of unethical behaviour on the part of the President, officers, employees and/or agents of PTAC, or Board members shall be reported to the Chair for investigation by the Executive Committee.

Good corporate governance ultimately requires people of integrity. Personal integrity cannot be regulated. However, confidence in PTAC can be enhanced if the Board clearly articulates the practices by which it intends its Directors to abide, and promotes and enforces them rigorously.

The President, in the course of conducting his or her duties as President, will not cause nor allow any practice, activity, decision or organizational circumstance which is either unlawful, imprudent or in violation of commonly accepted business ethics, professional ethics or community standards.

B. Conflict of Interest²²

The Board expects ethical and professional conduct from itself and its members. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as Board members.

1. Board members must avoid any **conflict of interest** with respect to their fiduciary responsibility.
 - a. There must be no self-dealing or any conduct of private business or personal services between any Directors and PTAC, unless personal services between the Board member and PTAC are approved by the Board of Directors and publicly disclosed to members.
 - b. Board members will ensure there is **openness** and competitive opportunity related to all activities undertaken by PTAC and the PTAC Board.
 - c. Board members will ensure there is equal access to privileged information where such information can be shared without breaking confidentiality covenants or agreements.
 - d. The Directors must not use their positions of authority to obtain for themselves, or for their family members or friends, employment or business opportunities with PTAC.
 - e. Should a director be considered for employment or contracting with PTAC, he or she must temporarily withdraw from Board deliberation during the consideration period and subsequent, voting, and be restricted from access to applicable Board information.
2. When considering the strategies, tactics, activities or plans of PTAC, or when advocating for the non-activities of PTAC, all Board members must ensure that their conduct is at all times governed by the best interests of PTAC. Board members must not act for their personal benefit or in the interests of their employers when conducting PTAC business or when representing the PTAC organization.
 - a. To ensure there is no conflict of interest during meetings, Board members will excuse themselves from any portion of a PTAC Board meeting (particularly Board discussions and votes) where they feel their obligations as a PTAC Board member may put them in conflict with their personal interests or the interests of their employer or other organization.
 - b. The standard agenda for every Board meeting will include a section at the beginning of each meeting where all Board members must declare in advance any potential conflicts of interest that may arise with respect to agenda items listed for that meeting. The rest of the Board will review the declared potential conflicts and agree on appropriate steps that must be taken when those particular agenda items are reached. Appropriate responses

²¹ ASX Principles, p. 25.

²² PITS, p. Appendix 1, p. 1-2.

may include having conflicted Board members excuse themselves from that portion of the meeting, or refrain from participating in discussions or voting on those matters.

3. Board members must act with integrity with respect to the interests of the PTAC membership and the public.
 - a. Board members will deal with outside entities or individuals, with staff and with each other in a manner reflecting equitable treatment, ethical and straightforward communication.
 - b. Board members will attend meetings regularly and participate on committees as required.
4. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
5. Board members may not use confidential Board information for their own or their organization's or employer's direct benefit or advantage. This requires that the information be kept confidential whenever required in the best interests of PTAC.
 - a. If confidential information is being disclosed during a PTAC Board meeting or other PTAC meeting where the disclosure or receipt of such information may place Board members in a potential conflict of interest, such Board members will excuse themselves from that portion of the meeting so as to avoid receiving information that would place them in a conflict of interest.
6. Board members must carry out duties in good faith with a reasonable degree of diligence, care and skill. If unable to do so, the Board member must notify the Chair, or in the Chair's absence, the President. If a Board member is deemed to be negligent in carrying out his or her duties, then, given that the Board has the right to make and enforce its own laws and punish an offender, the following guidelines will be followed:
 - a. Offending Directors may be censured by the Board Chair with a letter being sent to the director outlining the circumstances and corrective actions.
 - b. Continued offense will result in a motion of censure being brought by the Board Chair which may result in a voluntary withdrawal or, upon a vote of the majority the director shall be removed from all committee membership.
 - c. The Board can recommend removal of a director to the membership at a special meeting of the membership or at the Annual General Meeting.

4. Safeguard accuracy and integrity of financial reporting, and recognize and manage risk.

The PTAC Board will maintain a structure to independently verify and safeguard the accuracy and integrity of PTAC's financial reporting. The Board will establish a sound system of risk oversight, financial review and internal control.

This requires PTAC to put a Finance and Audit Committee in place as a structure of review, designed to ensure the truthful and factual presentation of PTAC's financial position. The Finance and Audit Committee will identify, assess, monitor and make recommendations to the full Board regarding the management of risk and assessment of financial reports and forecasts. This committee is well-recognized as an important feature of good corporate governance.

A. Finance and Audit Committee Terms of Reference²³

²³ PITS, Appendix 2, Finance Committee Terms of Reference, unnumbered.

1. Overview and Purpose

The Finance and Audit Committee will assist the Board in fulfilling its financial oversight responsibilities. The Finance and Audit Committee will review the financial reporting process, the system of internal controls and the audit process. In performing its duties, the committee will maintain effective working relationships, including engaging in full and frank discussions with the Board of Directors, management, and the external auditors. The Finance and Audit Committee will recommend selection of external auditors to be endorsed if deemed appropriate by the Board and subsequently approved by a general vote at the Annual General Meeting of members. The Finance and Audit Committee shall also be authorized to set the external auditor's remuneration if granted such authority by the members at the Annual General Meeting.

2. Composition and Appointment of Members

The Board of Directors will elect annually from among its members a Finance and Audit Committee to hold office for the ensuing year or until their successors are elected or appointed. The Finance and Audit Committee will consist of at least three members, none of whom are current or former officers or employees or current contractors of the organization.

Any member of the Finance and Audit Committee may be removed or replaced at any time by the Board of Directors and will also cease to be a member of the Finance and Audit Committee upon ceasing to be a director. The Board of Directors may fill vacancies on the Finance and Audit Committee by election from among the Board of Directors. If and whenever a vacancy exists on the Finance and Audit Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Finance and Audit Committee shall hold office as such until the next Annual General Meeting after his or her election. The Board of Directors will appoint the Chair of the Finance and Audit Committee.

3. Meetings

No business may be transacted by the Finance and Audit Committee except at a meeting of its members at which a quorum of the Finance and Audit Committee is present. A majority of the members of the Finance and Audit Committee will constitute a quorum. As it may see fit from time to time, the Finance and Audit Committee may invite such officers, Directors and employees of PTAC or PTAC's external auditors to attend meetings of the Finance and Audit Committee and assist in the discussion and consideration of the duties of the Finance and Audit Committee.

Upon prior receipt of such authority from the members of PTAC during each annual general meeting, the Finance and Audit Committee shall be responsible for selecting and retaining the external auditor, and fixing the annual remuneration for the auditor. The Finance and Audit Committee shall seek feedback and assurance from the auditors as to the accuracy of the financial statements produced by PTAC as well as management's response to the auditor's findings and recommendations.

During the yearly review of the PTAC audited financial statements, the Finance and Audit Committee shall discuss the audit results directly with the auditors and seek clarification on any matters of concern or interest. This will include discussions on the presence (or lack thereof) of sufficient internal controls and the appropriateness of separation of duties within PTAC such as the auditor may have noted during the audit. A portion of the yearly meeting with the auditors shall also include an in-camera session without the presence of PTAC management to provide the Finance and Audit committee with an opportunity to make any additional inquiries they may feel are appropriate and for the auditors to provide any additional information deemed appropriate.

4. Authority of the Committee

The Finance and Audit Committee will carry out the following responsibilities:

- Ensure that management employs sound financial and business processes and that control points are adequate.
- Ensure audits are conducted and recommend to the Board approval or any necessary actions to correct any audit issues.
- Recommend the approval of interim budgets and financial statements to the Board;
- Ensure that financial statements are prepared according to generally accepted accounting principles (GAAP).
- Recommend to the Board approval of the audited PTAC annual financial statements for disclosure to the members at the annual general meeting.
- Identify, review and designate specific individuals who shall be granted authority by the finance and audit committee to sign PTAC cheques for expenditures that have been duly approved according to the policies of PTAC.
- Designate other cheque-signing controls or other authorities deemed sufficient by the finance and audit committee to safe-guard the monies and assets of PTAC.
- Recommend to the Board employees of PTAC who are suitable to serve as officers of PTAC once so approved by the PTAC Board.

5. Encourage enhanced performance.

Fairly review and actively encourage enhanced Board and management effectiveness.

PTAC Board members, the President and Secretary will be equipped with the knowledge and information they need to effectively carry out their responsibilities; their individual and collective performance will be regularly and fairly reviewed by the Executive Committee of the Board.

A. Executive Committee Terms of Reference²⁴

1. Overview and Purpose

The purpose of the Executive Committee will be to advise the President and, where required and so delegated by the Board, make ongoing tactical or operational decisions on behalf of (and subject to final review by) the Board. The work of the Executive Committee will ensure members' needs are properly and promptly served, that processes for communicating with members are developed, and that PTAC performs its work in a timely fashion in compliance with its vision, purpose, principles and beliefs.

2. Duties and Responsibilities

The Executive Committee will carry out the following duties and responsibilities:

- Conduct special studies and tasks as delegated by the Board from time to time.
- Monitor the tactical execution of the business plan.
- Make recommendations on overall performance and the President's compensation.
- Make recommendations on the total bonus pool and the President's bonus.

²⁴ ASX Principles, p. 22.

- Make recommendations regarding the definition and communication of criteria for Board membership, what is expected of its members, and identify special skills that are required.
- From time to time, appoint Board members to standing committees to achieve quorum for particular meetings.
- Lead systematic reviews of governance policy.

3. Composition and Appointment of Members

The Board will annually appoint the Executive Committee from their members and appoint a committee Chair, who is usually also the Chair of the Board. The PTAC Executive Committee is comprised of the PTAC Chair, Chair-Elect, Past-Chair, the President, the Chair of each standing PTAC Committee, and such other small number of Directors that the Executive Committee may select from time to time for organizational continuity or committee effectiveness.

4. Authority of the Committee

The Board will delegate responsibility as required to the Executive Committee to act and deal with tactical, non-strategic issues within the approved budget that cannot wait until the next official Board meeting and as otherwise described herein.

5. Meetings

The committee will meet as required. A majority of the members of the Executive Committee will constitute a quorum. Meetings can be called by any member of the committee.

6. Reporting

The Chair of the committee or a committee delegate will report to the Board at each Board meeting. Brief minutes will be kept of all Executive Committee decisions and action items.

6. Recognize the legitimate interests of stakeholders.

Recognize obligations to all legitimate stakeholders.²⁵

PTAC acknowledges the interests of a wide spectrum of stakeholders in the upstream oil and gas industry - from research providers and academia, to entrepreneurs and inventors, to oil and gas producers and transporters, to service and supply companies and pipeliners, and to government and non-governmental organizations interacting with industry. Representatives from across the spectrum of stakeholders and stakeholder groups have the opportunity to be involved in PTAC initiatives through voluntary participation on the Board, committees, subcommittees or projects.

Information on PTAC initiatives is published regularly in newsletter format, and publicly posted on the PTAC web site which offers search engine capability to stakeholders looking for specific industry topics or events.

PTAC seeks to play an active role in collaborating with all stakeholders to identify industry issues and opportunities and align research projects and innovative technologies to improve the environmental, safety and financial performance of the industry and to reduce greenhouse gas emissions.

²⁵ ASX Principles, p. 59

PTAC is an inclusive organization which facilitates innovation, technology transfer, collaborative research and development, and eco-efficient and greenhouse gas-reducing technologies for the hydrocarbon energy industry.

Appendix A

Glossary of terms

Board member

Refers to a member of PTAC's Board of Directors.

Board of Directors

A voluntary group of individuals representing a wide spectrum of upstream oil and gas industry stakeholders who are responsible for overseeing the affairs of PTAC.

Cash surplus

Cash in excess of payables which may be invested.

Conflict of interest

Any situation in which a person's ability to act in the best interest of the corporation is or could be directly or indirectly compromised by personal, business, or other interests.

Excess cash

Current assets in excess of current liabilities.

Extraordinary resolution

A resolution of the Board of Directors passed by at least two thirds (2/3) of the Directors voting on or consenting to the resolution.

Financial audit

An examination of asset records or financial accounts to check their accuracy.

Financial reserve fund

Funds put aside for an unspecified future expenditure, out of the cash surplus. PTAC is striving to achieve a twelve (12) month operating revenue cushion for this purpose.

Officers

The officers of PTAC consist of a Chair, President, the Secretary, and other individuals whose powers and duties are described in the terms of their service contract, or specified and delegated by the Board of Directors. The nomination procedures and qualifications of such nominees are determined by the Board.

Openness

Board members should avoid conflict of interest by publicly disclosing any conduct of private business with or personal services to PTAC by publishing these dealings in PTAC communications vehicles such as a posting on the PTAC web site, through an email distribution, or through an article in *P-talk*, the PTAC newsletter.

Organization

A group of persons organized for a particular purpose; an association; a structure through which individuals cooperate systematically to conduct business.

Project Steering Committee (PSC)

A group of representatives from industry who meet to oversee a specific project which addresses a particular industry issue. This project may arise out of a Request for Proposal (RFP) or Working Group.

PTAC member

Any individual or organization committed to financially support PTAC and its mandate. Membership is open to a wide spectrum of stakeholders in the upstream oil and gas industry:

- Research providers
- Inventors
- Universities
- Governments
- Crown corporations
- Non-government agencies interacting with the hydrocarbon energy industry and/or resource base
- Individuals knowledgeable in the petroleum industry who are supportive of PTAC's goals and objectives

Membership is subdivided into the following categories:

- Explorer/producers;
- Service and supply companies;
- Research providers;
- Learning institutes;
- Transporters;
- Individuals
- Any branch or department of any level of government concerned with the industry

Annual membership dues vary by membership category.

Request for Proposal (RFP)

A document issued by a working group or by PTAC as a result of a workshop to solicit research and/or technology proposals.

Stakeholders

Public and private institutions, organizations and individuals which stand to benefit from the continued prosperity of the upstream petroleum industry.

This group includes:

- Explorers/producers
- Service and supply companies
- Research providers
- Learning institutes
- Transporters
- Any branch or department of any level of government concerned with the industry
- Non-governmental organizations
- Other not-for-profit industry associations
- Capital providers
- Environmental groups
- Rural landowners
- Members of affected communities

Stakeholder groups

Professional and trade associations and other aggregations of stakeholders who have common interests.

Strategic goals

Refers to long-range planning goals determined by PTAC's Board of Directors.

Succession planning

Planning undertaken for senior officers to assume the roles and responsibilities of the President in the event the position is vacated, ensuring continuity of operations and the continued leadership and vitality of the organization.

Tactical goals

Refers to short-range or operational planning goals.

Technical Steering Committee (TSC) or Long Term Planning Committee (LTPC)

A TSC is typically comprised of representatives from industry, government, not-for-profit organizations and chairs of related Project Steering Committees (PSCs). They look at the big picture of R&D needs in broad technical areas, such as Soil and Groundwater. They identify R&D needs and priorities and help plan events. The ultimate objective in holding events is to disseminate information, launch new projects and provide for information exchange and networking.

A TSC may create a Working Group or plan a workshop to address a specific challenge or opportunity. They may create a working group to develop the Request for Proposal, may invite proposals for research and technology development on specific challenges (e.g., Minimizing Drilling Peaks and Valleys; Flaring, Venting and Fugitive Emissions), or launch a project to pilot a new technology.

Working Group (WG)

A group of stakeholders who work together on a specific challenge or opportunity that requires new R&D. The working group may issue a Request for Proposal, plan workshops and ultimately launch new R&D projects that address the specific challenge. A working group may evolve into a Project Steering Committee.

Appendix B

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