Corporate Governance

The Board of Directors has adopted the following guidelines to promote the effective governance of the Company. The Board will also review and amend these guidelines as it deems necessary or appropriate.

On behalf of the Company's shareholders, the Board is responsible for:

- Overseeing the management of the business and affairs of the Company.
- Ultimate decision-making body of the Company
- To the shareholders of the Company under the laws of the United States and Canada and local regulatory bodies.

Director Qualifications

In choosing directors, the Company seeks individuals who have very high integrity, business savvy, shareholder orientation and a genuine interest in the Company. The Company will elect directors who are independent, referenced as "independent director(s)". The Board does not have limits on the number of terms a director may serve. The Board does not have any retirement or tenure policies that would limit the ability of a director to be nominated for re-election. The Governance, Compensation and Nominating Committee are responsible for nominating directors for election or re-election.

Board Size and Committees

The Board will consist of 4 members (two management directors, one non-management but not independent directors, and one independent director(s). Under the By-Laws of the Company, the Board has the authority to change its size, and the Board will periodically review its size as appropriate. The Board has three committees: (i) Audit; (ii) Governance, Compensation and Nominating; and (iii) Executive. The Audit and Governance, Compensation and Nominating Committees each consist solely of one independent director(s), one management director and one non-management director. The Board may, from time to time, establish and maintain additional or different committees, as it deems necessary or appropriate.

Voting for Directors

Any nominee for director in an uncontested election (i.e., an election where the number of nominees is not greater than the number of directors to be elected) who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall, promptly following certification of the shareholder vote, offer his or her resignation to the Board for consideration in accordance with the following procedures. All these procedures shall be completed within 90 days following certification of the shareholder vote.

The Qualified Independent Director(s) shall evaluate the best interest of the Company and its shareholders and shall decide on behalf of the Board the action to be taken with respect to such offered resignation, which can include: (i) accepting the resignation, (ii) maintaining the director but addressing what the Qualified Independent Director(s) believe to be the underlying cause of the withhold votes, (iii) resolving that the director will not be re-nominated in the future for election, or (iv) rejecting the resignation. In reaching their decision, the Qualified Independent Director(s) shall consider all factors they deem relevant, including: (i) any stated reasons why

Shareholders withheld votes from such director, (ii) any alternatives for curing the underlying cause of the withheld votes, (iii) the director's tenure, (iv) the director's qualifications, (v) the director's past and expected future contributions to the Company.

Following the Board's determination, the Company shall promptly disclose to the shareholders the Board's decision of whether to accept the resignation offer. The disclosure shall also include an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the offered resignation. A director who is required to offer his or her resignation in accordance with this section shall not be present during the deliberations or voting whether to accept his or her resignation or, except as otherwise provided below, a resignation offered by any other director in accordance with this section.

Prior to voting, the Qualified Independent Director(s) will afford the affected director an opportunity to provide any information or statement that he or she deems relevant.

Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders, and to conduct themselves in accordance with their duties of care and loyalty. Directors are expected to attend Board meetings and meetings of the committees on which they serve, and to spend the time needed to carry out their responsibilities as directors, including meeting as frequently as necessary to properly discharge those responsibilities. Directors are also expected to review in advance all materials for the meetings of the Board and the Committee(s) on which they serve.

Director Access to Management and Advisers

Each director has full and free access to the officers and employees of the Company and its subsidiaries. The Board and each of its Committees has full and free access to the legal, financial or any other advisers working for the Company by obtaining the advance approval of the Chairman of the Board.

Board Meetings

The Chairman of the Board is responsible for establishing the agenda for each Board meeting. Each director is free to suggest items for inclusion on the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting. At least once a year, the Board reviews the Company's long-term plans and the principal issues that the Company will face in the future.

Executive Sessions

The non-management directors meet in regularly scheduled executive session without directors who are members of management. The independent directors also meet in a separate executive session consisting solely of independent directors at least once a year. The presiding director at each executive session is chosen by the directors' present at that meeting.

Director Compensation

Only directors who are neither an employee of the Company or a subsidiary nor a spouse of an employee receive compensation for serving on the Board. Director fees are nominal and are limited to immediate compensation. Changes in the form and amount of director compensation are determined by the full Board, taking into consideration the Company's policy that the fees should be of no consequence to any director serving the Company. The Board critically reviews any amounts that a director might receive directly or indirectly from the Company, as well as any charitable contributions the Company may make to organizations with which a director is affiliated, in determining whether a director is independent. The Company may or may not purchase directors and officer's liability insurance for its directors or officers.

Orientation and Continuing Education

All new directors receive an orientation from the Chief Executive Officer and are expected to maintain the necessary level of expertise to perform his or her responsibilities as a director. The Company does not maintain any formal orientation or continuing education programs.

Management Succession

Assuring that the Company has the appropriate successor to the current Chief Executive Officer in the event of his death or disability is one of the Board's primary responsibilities. The Company does not anticipate that the Chief Executive Officer will retire other than due to disability. The Chief Executive Officer reports annually to the Board on executive management succession planning and makes available, on a continuing basis, his recommendation on succession in the event he was disabled. The Board and the committees of non-management directors and independent directors regularly review succession planning and the strengths and weaknesses of certain individuals currently employed by the Company who could succeed the Chief Executive Officer in the event of his death or disability. The Governance, Compensation and Nominating Committee are responsible for evaluation of the performance of the Company's Chief Executive Officer and setting his compensation.

Annual Performance Evaluation

The Governance, Compensation and Nominating Committee conducts an annual evaluation to determine whether the Board and its committees are functioning effectively and reports its conclusions to the Board. Each of the Audit Committee and the Governance, Compensation and Nominating Committee separately conducts an annual evaluation of its performance relative to the requirements of its Charter and reports its conclusions to the Board. The Board annually conducts a self-evaluation of its performance based in part on the reports of these two Committees.

Public Disclosure of Corporate Governance Policies

The Company will post on its website copies of the current version of these guidelines, the Company's Code of Business Conduct and Ethics and the charters of the Audit Committee and the Governance, Compensation and Nominating Committee of the Board, and discloses in its annual report that such information is available on its website or in print to any shareholder that requests it.