

**BLUE WATER BRIDGE CANADA
BOARD OF DIRECTORS' CHARTER
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BLUE WATER BRIDGE CANADA DIRECTOR PROFILE

August 2008

BLUE WATER BRIDGE CANADA MANDATE

To operate, maintain, and repair the Canadian halves of the two bridges spanning the St. Clair River between Point Edward/Sarnia, Ontario, and Port Huron, Michigan, and the approaches and structure.

The mission statement of BWBC is “To make your gateway experience safe, efficient and enjoyable”.

Our Vision is “To be recognized by our customers as an essential part of their travel experience.”

BWBC is a federal parent Crown corporation (as defined in the *Financial Administration Act*) with no share capital and operates on a not-for-profit basis. It is accountable for the construction and operation of international crossing services in the form of two bridges, to the travelling public, exporters, importers and commercial carriers mostly from Canada and the United States. It provides as prescribed by Canadian Law, operational facilities to border enforcement agencies of the Canadian government. It also provides on a commercial basis, facilities to a duty-free store operator and office space to Canadian customs brokers. In addition, BWBC accepts stewardship of First Nation archaeology on Bridge property. Blue Water Bridge Canada and the Aamjiwnaang First Nation have built a healthy and balanced relationship – one that is effective, productive and mutually respectful.

ROLES AND RESPONSIBILITIES OF DIRECTORS

The primary role of the Board is to provide oversight of current activities and to set policies intended to ensure long term success of Blue Water Bridge Canada.

In exercising their stewardship and fiduciary responsibilities, Directors are expected to exercise judgement in several areas including the establishment, approval and monitoring of Blue Water Bridge Canada’s strategic direction, approval and monitoring of financial objectives, plans and internal controls, safeguarding BWBC’s assets and reporting to the government of Canada.

The Board of Directors will provide direction to senior management in the development of long-term strategy for BWBC. Annually, the Board of Directors will review the strategic plan and oversee the strategic initiatives. The Board of Directors will involve itself in strategic planning and the monitoring of BWBC’s performance against its strategic plan.

The Board will be responsible for oversight of the reliability and integrity of BWBC's financial reporting and will review the accounting principles management has followed to provide accurate and complete financial reports, in compliance with all legislated requirements. The Board of Directors will also oversee the public disclosure of BWBC's financial reports, according to all legislated requirements so as to promote transparency and accountability.

The Board of Directors will review management's integrated risk management policies, control systems and practices that have been put in place to manage key business and financial risks identified by management.

CHALLENGES, ISSUES AND INITIATIVES

Blue Water Bridge Canada's activities are driven by the needs of its tenants and other stakeholders. To meet those needs and remain self-sufficient, BWBC deploys considerable and changing technologies.

BWBC, in providing an international crossing facility, is an instrument of public policy and a critical infrastructure asset. BWBC's principal asset consists of two bridges, which are co-owned and co-operated by the Michigan Department of Transportation.

In addition to its relationship with the U.S. and Canadian governments, BWBC's assets are sited in the midst of an incorporated urban community and are directly linked to a major highway, owned and operated by the government of Ontario.

CORE ATTRIBUTES, COMPETENCIES AND EXPERIENCE

Blue Water Bridge Canada has a significant presence and reputation in the North American marketplace and with Canadian and American governments. Directors must be capable and willing to contribute to BWBC's activities in those arenas.

In addition to long term financial obligations, BWBC, by the nature of its operations, has major cash flow responsibilities. The Directors must possess strong abilities to read, understand and assess financial statements.

Board Members in representing the interests of Canada must meet the accountabilities of the Blue Water Bridge Authority Act. They must also demonstrate high ethical standards and integrity in acting on and being responsible for decisions of BWBC.

In monitoring corporate performance, Directors are expected to provide clear and thoughtful advice based upon sound judgement, business experience and knowledge of public policy. In addition, the Board must monitor their own performance. A formal Board evaluation is conducted annually.

SPECIFIC SKILLS, KNOWLEDGE AND EXPERIENCE

In the overall mix of skills, knowledge and experience required to maximize the effectiveness of the Board, essential elements include:

- Finance and accounting
- Marketing
- Environmental
- Corporate governance and management
- Strategic planning
- Project planning and analysis
- Public policy

Desirable elements include:

- Law and enforcement
- Canada – USA relations
- Human Resources
- Community affairs
- Advocacy
- Technology

WORKING CONDITIONS

Considerable time commitment is expected from every Board Member. Board meetings are held monthly with a full day expected to be committed to the meeting. In addition, Audit Committee meetings are held four times a year, lasting approximately 4 hours. Board members are expected to participate in the annual Board Retreat lasting up to three days in length. Additional meetings, such as the Annual Public Meeting, meetings with stakeholders and a variety of public and government relations events should be attended. New Directors are expected to take training as recommended by Treasury Board, including governance training and maintain and improve their knowledge base by attending regular conferences, workshops and other bridge related sessions. On average, four days per month should be committed to Blue Water Bridge Canada business not including meeting prep time and reading. The Chairman is expected to commitment significantly more time including weekly meetings with the President/CEO.

Directors do not receive remuneration for attendance although they are reimbursed for expenses incurred in carrying out their responsibilities on behalf of the Bridge. Training sessions, both internal and external, are available to assist Directors in the performance of their duties.

Blue Water Bridge Canada Audit Committee Mandate

MANDATE, ROLE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Audit committees are an essential component of good corporate governance. For Crown corporations, an audit committee helps the board of directors fulfill its responsibility to the Crown, as the shareholder and to Canadians in general. The audit committee assists the board of directors to oversee and objectively assess the performance of the Corporation, its management and its auditors.

In recognition of the importance of audit committees, the federal government's control and accountability regime for its Crown corporations requires that those subject to Part X of the *Financial Administration Act* have an audit committee. To perform their work, audit committees have the power to investigate any matter brought to their attention. The committee has full access to all books, records, facilities, and personnel of the corporation. In addition, with specific approval of the board of directors, the audit committee has the power to access outside counsel or other experts.

The Audit Committee shall consist of all four members of the Board of Directors. The Chair of the Audit Committee will be the Vice Chair of the Board. Elections for Vice Chair/Chair of Audit Committee will be held annually in August.

The Committee shall meet at the call of the Chair, or when requested to meet by the Board, or any member of the committee, or the Internal Auditor a minimum of four times per year.

The Audit Committee relies on the work of the auditors for independent and objective advice and information. Their expertise and their professional responsibilities provide the audit committee with a valuable basis for obtaining assurances.

Understanding fundamental accounting issues is essential for audit committees. Audit committees need to question the financial and accounting experts of the corporation and to consider the views and the assurances provided by the auditors. Audit committee members should be financially literate and at least one member should have accounting or related financial management expertise.

ROLE OF THE AUDIT COMMITTEE AS PRESCRIBED BY THE *FINANCIAL ADMINISTRATION ACT*

The audit committee of a parent Crown corporation shall

- (a) review and advise the board of directors with respect to the financial statements that are to be included in the annual report of the corporation;
- (b) oversee any internal audit of the corporation;

- (c) review and advise the board of directors with respect to the annual auditor's report of the corporation;
- (d) in the case of a corporation undergoing a special examination, review and advise the board of directors with respect to the plan and reports;
- (e) review and advise the board of directors with respect to the Corporation's employee pension plan; and
- (f) perform such other functions as are assigned to it by the board of directors or the charter or by-laws of the corporation.

The auditor of a parent Crown corporation is entitled to receive notice of every meeting of the audit committee and to attend and be heard at each meeting.

KEY RESPONSIBILITIES OF THE AUDIT COMMITTEE

Financial and other reporting

- providing assurance to the board on the reliability of financial information reported by management,
- reviewing financial policy decisions,
- reviewing financial statements and other management information,
- overseeing external audit coverage,
- reviewing other reports requiring board approval.

Internal auditing

- approving the annual audit plan and budget,
- approving internal audit reports and the management action plans that address the recommendations made in the audit reports,
- monitoring the adequacy and timeliness of actions made in the management action plans.

Risk management

- monitoring the adequacy and effectiveness of strategies to manage corporate risk.

Management control framework

- monitoring the adequacy and effectiveness of the internal control structure.

Compliance with laws, regulations, and ethics

- providing assurance that the corporation is complying with pertinent laws and regulations, is conducting its affairs ethically, and is maintaining effective controls to prevent conflicts of interest and fraud.

Review of CEO's Expenses

- review and approval of the travel and hospitality expenses incurred by the CEO

BY-LAW NUMBER 5

A by-law relating generally to the conduct of the affairs of

BLUE WATER BRIDGE CANADA

WHEREAS the Corporation was incorporated by An Act of the Parliament of Canada cited as *the Blue Water Bridge Authority Act*, which was assented to on May 21, 1964.

WHEREAS the Corporation was originally known as *BLUE WATER BRIDGE AUTHORITY*.

WHEREAS the Corporation was granted the right to change its title by Transport Canada under the Federal Identity Program on October 17, 2007.

BE IT ENACTED as a by-law of

BLUE WATER BRIDGE CANADA

(the "Corporation") as follows:

1.00 INTERPRETATION

1.01 In this by-law and all other by-laws and resolutions of the Corporation unless the context otherwise requires:

- .01** the singular includes the plural;
- .02** the masculine gender includes the feminine;
- .03** "Board of Directors" means the four (4) Members appointed pursuant to the provisions of the Financial Administration Act;
- .04** "Corporation" means Blue Water Bridge Canada;
- .05** "documents", includes deeds, mortgages, leases, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings;
- .06** "Officers" means the persons who hold the offices enumerated in section 5.01;

2.00 HEAD OFFICE

The head office of the Corporation shall be within the plaza of the Blue Water Bridge, in the Village of Point Edward, in the Province of Ontario, or at such place as the Board of Directors may from time to time determine.

3.00 SEAL

The seal if impressed hereon shall be the corporate seal of the Corporation.

4.00 BOARD OF DIRECTORS

4.01 Board of Directors. The affairs of the Corporation shall be managed by a Board of Directors composed of four (4) Members appointed pursuant to the provisions of the Financial Administration Act.

4.02 Appointed Directors. Appointed Directors, shall hold office during the pleasure of the Appointing Authority.

4.03 Vacancies. Subject to the requirement for a quorum, vacancies occurring in the Directorship of the Corporation shall not impair the powers of the Board of Directors, and any such vacancies shall be filled by the appropriate Appointing Authority, pursuant to the provisions of the Financial Administration Act.

4.04 Quorum. A quorum for the transaction of business meetings of the Board of Directors shall be three (3) Directors of the Board of Directors.

4.05 Meeting. Meetings of the Board of Directors may be held at any place within or outside Ontario, as designated in the notice calling the meeting. Meetings of Board of Directors may be called by the Chairman or the Corporate Secretary or any two (2) Directors.

4.06 Notice. Subject to the provisions of section 4.07, notice of Board of Directors meetings shall be delivered, mailed or telephoned to each Director not less than two business (2) days before the meeting is to take place. The statutory declaration of the Secretary or Chairman that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. No formal notice of a meeting is necessary if all the Directors are present or if those absent have signified their consent to the meeting being held without notice and in their absence.

4.07 Regular Meetings. The Board of Directors may appoint eight or more days in each year for regular meetings of the Board of Directors at a place and time named; no further notice of the regular meetings need be given.

- 4.08 Voting.** Questions arising at any meeting of the Board of Directors shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall cast the deciding vote. The Chairman shall only vote in the event of a tied vote but may participate in the discussion at any time prior to a vote. At all meetings of the Board of Directors, every question shall be decided by a show of hands unless a poll on the question is required by the Chairman or requested by any Director. A declaration by the Chairman that a resolution has been carried and an entry to that effect in the minutes is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.
- 4.09 Remuneration of Directors.** The Directors of the Corporation shall serve without remuneration.
- 4.10 Indemnities to Directors.** Every Director or officer of the Corporation and his heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless, out of the funds of the Corporation, from and against,
- .01 all costs, charges and expenses whatsoever which the Director or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office; and
- .02 all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except the costs, charges or expenses occasioned by his own willful neglect or default.
- 4.11 Protection of Directors and Officers.** No Directors or officers of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for on behalf of the Corporation or for the insufficiency of any security in or upon which any of the money of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his own wrongful and willful act or through his own wrongful and willful neglect or default.
- 4.12 Responsibility for Acts.** The Directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in

the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the Board of Directors.

5.00 OFFICERS OF THE BOARD OF DIRECTORS

- 5.01 Officers.** The Officers of the Board of Directors shall consist of a Chairman, a Vice-Chairman and two Directors.
- 5.02 Appointments.** The Chairman shall be appointed pursuant to the provisions of the Financial Administration Act. The Vice-Chairman shall be elected from the ranks of the Board of Directors
- 5.03 Election of Vice-Chairman.** An election for the Vice-Chairman shall be held at the last regular monthly Board of Directors meeting before the fiscal year end of each and every fiscal year. The election shall be held by a show of hands and documented with a recorded vote. The election shall be held in open session of the Board of Directors. The majority vote of the Board shall elect the Vice-Chairman.
- 5.04 Chairman.** The Chairman shall, when present, preside at all meetings of the Board of Directors. The Chairman shall supervise the affairs and operations of the Corporation, sign all documents requiring his signature and have the other powers and duties from time to time prescribed by the Board of Directors or incident to his office.
- 5.05 Vice-Chairman.** The Vice-Chairman shall act in the place of the Chairman, when the Chairman is not present and shall be the Chairman of the Audit Committee for that fiscal year.
- 5.06 Corporate Secretary.** The Corporate Secretary shall be ex officio clerk of the Board of Directors and shall attend all meetings of the Board of Directors. The Corporate Secretary shall give all notices required to be given to Directors. The Corporate Secretary shall perform the other duties from time to time prescribed by the Board of Directors or incident to this office.
- 5.07 Recording Secretary.** A Recording Secretary shall be appointed by the Board of Directors and shall attend all meetings of the Board of Directors to record all facts and minutes of those proceedings in the books kept for that purpose. The Recording Secretary shall perform the other duties from time to time prescribed by the Board of Directors or incident to this office. The Recording Secretary can be a Director of the Board or can be someone retained by the Board from outside of its ranks.
- 5.08 Chief Executive Officer.** The Chief Executive Officer shall be appointed by the Governor in Council pursuant to the provisions of the Financial Administration Act to have responsibility for the overall operation of the Bridge and the operating departments of the Corporation under the

supervision of the Board of Directors and shall perform such other duties as may be assigned to him by the Board of Directors from time to time.

5.09 Other. The Board of Directors may appoint other agents (with such titles as the Board of Directors may prescribe from time to time) as it considers necessary and all agents shall have the authority and perform the duties from time to time prescribed by the Board of Directors. The Board of Directors may also remove at its pleasure any agent of the Corporation. The duties of all agents of the Corporation appointed by the Board of Directors shall be such as the terms of their engagement call for or the Board of Directors prescribes.

5.10 Roles and Responsibilities. The roles, responsibilities and duties of the Members of the Board of Directors will be set out in the Board Charter, as amended from time to time. All Members of the Board of Directors agree to abide by the Charter and commitments detailed therein.

6.00 EXECUTION OF DOCUMENTS

6.01 Cheques, Drafts, Notes, Etc. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by the officer or officers or person or persons and in the manner from time to time prescribed by the Board of Directors.

6.02 Execution of Documents. Documents requiring execution by the Corporation may be signed by the Chairman or Vice-Chairman and the Chief Executive Officer, and all documents so signed are binding upon the Corporation without any further authorization or formality. The Board of Directors may from time to time appoint any officer or officers or any person or persons on behalf of the Corporation, either to sign documents generally or to sign specific documents. The corporate seal of the Corporation, if any, shall, when required, be affixed to documents executed in accordance with the foregoing. The Board of Directors is to be informed of any documents so signed with the exception of documents required to be signed in the course of normal “day to day” operations,

6.03 Books and Records. The Board of Directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute are regularly and properly kept at the head office of the Corporation.

7.00 BANKING ARRANGEMENTS

7.01 The Board of Directors shall designate, by resolution, the persons authorized to transact the banking business of the Corporation, or any part thereof, with the bank, trust company, or other corporation carrying on a banking business that the Board of Directors has designated as the Corporation’s banker, to have the authority set out in the resolution, including, unless otherwise restricted, the power to,

- (a) Operate the Corporation's accounts with the banker;
- (b) make, sign, draw, accept, endorse, negotiate, lodge, deposit or transfer any of the cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;
- (c) issue receipts for and orders relating to any property of the Corporation;
- (d) execute any agreement relating to any banking business and defining the rights and powers of the parties thereto;
- (e) authorize any officer of the bank to do any act or thing on the Corporation's behalf to facilitate the banking business;
- (f) at no time is any Member of the Board of Directors or officer of the Corporation authorized to create a lien or charge against any portion of the Blue Water Bridge or against any underlying land therein

7.02 Deposit of Securities. The securities of the Corporation shall be deposited for safe keeping with one or more bankers, trust companies or other financial institutions to be selected by the Board of Directors. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians of the Board of Directors shall be fully protected in acting in accordance with the directions of the Board of Directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

8.00 BORROWING BY THE CORPORATION

8.01 Subject to the limitations set out in the by-laws or in the enacting legislation (as amended from time to time), the Board of Directors may,

- (a) borrow money on the credit of the Corporation;
- (b) issue, sell or pledge securities of the Corporation; or
- (c) charge, mortgage, hypothecate, or pledge all or any of the real or personal property, not including any real estate/land, of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

8.02 From time to time the Board of Directors may authorize any Director, officer or employee of the Corporation or any other person to make arrangements with reference to the money so borrowed or to be borrowed and as to the terms and conditions of the loan thereof, and as to the security to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional security as the Board of Directors may authorize and generally to manage, transact and settle the borrowing of money by the Corporation.

900 FINANCIAL YEAR

9.01 The financial year of the Corporation shall terminate on the 31st day of August, in each year or on such other date as the Board of Directors may from time to time by resolution determine.

10.00 NOTICE

10.01 Computation of Time. In computing the date when notice must be given under any provision of the by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice is, unless otherwise provided, included.

10.02 Omissions and Errors. The accidental omission to give notice of any meeting of the Board of Directors or Directors or the non-receipt of any notice by any Director or by the auditor of the Corporation or any error in any notice not affecting its substance does not invalidate any resolution passed or any proceedings taken at the meeting. Any Director or the auditor of the Corporation may at any time waive notice of any meeting and may ratify and approve any or all proceedings taken thereat.

10.03 Addresses and Manner of Service. Each Director of the Corporation shall, upon his appointment, furnish the Corporate Secretary with his address to which all notices required or permitted by law or by this by-law may be served upon him by mail, personal delivery, or facsimile. Such address may be changed from time to time by notice, in writing, to the Corporate Secretary. Service of any notice by mail or facsimile at the address so designated, in writing, shall be sufficient service thereof.

11.00 BY-LAWS AND AMENDMENTS, ETC.

11.01 Enactment. By-laws of the Corporation may be enacted, repealed, amended, altered, added to, or re-enacted in the manner contemplated in, and subject to the provisions of, the *Blue Water Bridge Authority Act*.

12.00 REPEAL OF PRIOR BY-LAWS

12.01 Repeal. Subject to the provisions of sections 12.02 and 12.03 hereof, all prior by-laws, resolutions, and other enactments of the Corporation heretofore enacted or made are repealed.

12.02 Exception. The provisions of section 12.01 shall not extend to any by-law or resolution heretofore enacted for the purpose of providing to the Board of Directors the power or authority to borrow.

12.03 Proviso. Provided however that the repeal of the prior by-laws, resolutions, and other enactments shall not impair in any way the validity of any act or thing done pursuant to any such repealed by-law, resolution, or other enactment.

13.00 EFFECTIVE DATE

13.01 This by-law shall come into force without further formality upon its enactment.

Enacted as By-law Number 5 by the Directors of the Corporation at a meeting duly called and regularly held and at which a quorum was present on the 21st day of October , 2008, 307th Board Meeting.

Chairman

Corporate Secretary