

**The Board of Directors of JEG Group Inc.  
Board Charter**

- *Supervising the Management of the Business and Affairs of JEG Group Inc.*

**Our Main Responsibilities:**

We provide the supervision necessary for:

1. Disclosure of Reliable and Timely Information to Shareholders – the Shareholders depend on us to get them the right information.
2. Approval of Strategy and Major Policy Decisions of JEG – we must understand and approve where JEG is going, be kept current on its progress towards those objectives and be part of and approve any major decisions.
3. Evaluation, Compensation and Succession for Key Management Roles – we must be sure that the key roles have the right people, that they are monitored and evaluated by us and that they are appropriately compensated to encourage JEG’s long-term success.
4. Oversight of the Management of Risks and the Implementation of Internal Controls – we must be satisfied that the assets of JEG are protected and that there are sufficient internal checks and balances.
5. Effective board Governance- to excel in our duties we need to be functioning properly as a board – strong members with the right skills and the right information

**Independence is Key**

The Board of Directors understands that we must be independent of the management of JEG. To enhance our independence we have implemented the following:

- A majority of the members of the Board are independent
- All committees are composed solely of non-management directors
- The Board and its committees can meet independently of management at any time
- The Board and its committees can hire their own independent advisors
- A independent lead director with a clear mandate provides leadership for the independent directors
- A policy requires all directors to hold JEG Shares (including deferred share grants) worth 3 times our annual retainer by March 31, 2011

- The provisions of high-quality information for directors – orientation for new directors, meaningful presentations, access to management and sufficient time to review material

We know independence requires more – it requires preparation for meetings, understanding of the issues, strength, integrity and an inquiring mind.

### **Our Composition**

Our number shall be as provided for in the JEC's By-laws from time to time and shall comply with the Guidelines of Board composition established by the Nominating and Corporate Governance Committee of JEC. Each director shall possess the qualities set out in the Position Description for Directors.

We will create committees from time to time and will delegate certain functions to them. Each of these committees has a written Mandate. These Mandates are reviewed on a regular basis and are updated and amended as often as needed to respond to the evolving regulatory and market environments in which JEG operates.

### **Independent functioning of Board and Committees**

The board is responsible for establishing the appropriate procedures to ensure that the board, committees and individual directors can function independently of management to the extent considered necessary or desirable by directors. The board can retain independent professionals. Each committee can retain and terminate independent professionals and each has the sole authority to approve all fees payable to an Independent professional. Any director can retain an independent professional with the prior approval of the Nominating and Corporate Governance committee. Each committee and the board can conduct all or part of any meeting in the absence of management, and it is the board's policy to include such a session on the agenda of each regularly-schedule board meeting.

Each committee chair can also require the Corporate Secretary to convene a meeting of the board or a committee to be held in the absence of management or to reserve an agenda item at any board or committee meeting for business to be conducted in the absence of management. Each director can request such a meeting or reserved agenda item by contacting a committee chair.

### **Meetings**

The board meets a minimum of 4 times per year. For regularly scheduled meetings, an agenda for each board meeting and other documents for consideration are sent by courier to all directors about one week in advance of each meeting. For special meetings of the board, best efforts are made to distribute materials to the directors as far in advance as practicable. A complete board package, which includes all material for the meeting, is provided to each director prior to the commencement of each meeting.

## **Specific Duties and Responsibilities**

The board has the following specific duties and responsibilities, which may be delegated to committees of the board, in whole or in part, with ongoing reporting by the committees to the board:

### **Strategic Planning**

The board is responsible for the strategy and fundamental goals of JEG for all aspects of its undertaking. This responsibility includes the adoption of a strategic planning process; convening annually a strategic planning meeting involving the board and executive management, approving strategic plans, which take into account, among other things, the major opportunities and risks of JEG; and overseeing the implementation of strategic plans and monitoring performance against such plans. This responsibility also includes reviewing and approving all major strategy and policy recommendations including the financial plan and approving operating budgets, and specific requests for major acquisitions.

### **Risk Management**

The board is responsible for ensuring that the appropriate policies and procedures are in place to protect the assets and commodity hedging policies JEG and assure its viable future. The board is also responsible for identifying the principal risks of all aspects of JEG's business and ensuring the implementation of appropriate systems to manage these risks.

### **Internal Controls and Management Information Systems**

The board is responsible for overseeing and monitoring the integrity of JEG's internal controls, management information systems and audit procedures, and overseeing the appropriate operation of JEG including compliance with all applicable regulatory requirements through financial and other management information systems, and appropriate inspection, compliance and control systems. The board is responsible for ensuring financial reporting and financial control systems are operating, and approving the quality and sufficiency of information provided to the directors.

### **Communications Policy**

The board is responsible for establishing a communications policy for JEG and overseeing the maintenance of effective unitholder relations through JEG's communications policy and programs so that accurate and timely information is disseminated to and feedback is accommodated from shareholders.

### **Director Orientation and Assessment**

The board is responsible for ensuring there is an appropriate, formal orientation program for new directors and for assessing the contribution of the board, committees and all directors annually.

### **Evaluation, Compensation and Succession Planning**

The board is responsible for overseeing the effective operation of JEG by appointing, assessing performance of, compensating, disciplining and succession planning for all senior JEG officers. The board is responsible for ensuring the senior management team has the appropriate qualities and competencies to meet the expectations set by the board. The board is responsible for approving the compensation of the senior management team and the compensation policies of JEG, including reviewing the adequacy and form of compensation of directors. The board is responsible for developing a position description for the board, the Executive Chair, the Chief Executive Officer, the Chief Financial Officer and the Lead Director which, together with other board approved policies and practices, should provide for a definition of the limits to management's responsibilities. The board is responsible for approving the objectives of JEG to be met by the Chief Executive Officer.

### **General**

The board is responsible for monitoring the effectiveness of JEG's corporate governance practices and approving any necessary changes, as required. The board is responsible for establishing general JEG policies and performing other tasks required by law.