

2011



**Corporate Governance:  
Protecting & Growing  
Shareholder Value**



MAY 2011

# Canacol's Corporate Governance Summary



## ***Board independence***

5/7 Directors are independent  
Chairman is independent

## ***4 Board Committees***

1. Audit
  2. Compensation
  3. Corporate Governance
  4. Reserves
- 3/4 Committees are 100% independent

***Highly experienced Directors (technical, commercial, legal)***

***Full and accurate disclosure***

***No conflicts of interest***



# Canacol's Board of Directors



## ***Board Member***

## ***Expertise***

Charle Gamba

Technical



Dr. Luis Baena

Business Development



Michael Hibberd  
*Chairman*

Capital Markets



Alvaro Barrera

Technical



Stuart Hensman

Capital Markets



Jason Bednar

Accounting



Dr. David Winter

Technical



# Board Committees



## Corporate Governance

- Compliance with securities laws
- Monitors regulatory changes and compliance (*insider trading, communications, confidentiality, disclosure*)
- Maintains procedures to identify/manage risk



## Compensation

- Policies
- Examines/approves corporate goals & objectives
- Human Resources
- Disclosure practices



## Reserves

- Compliance with NI 51-1-101
- Appointment and management of Independent Evaluator
- Examine annual filings
- Ensure proper disclosure and compliance



## Audit

- Financial reports and internal control systems
- Review/appraise work of external auditors
- Manage communication with Canacol's auditors, financial, and senior management

# Committee Key Guidelines

## Composition & Process

Up to 3 members of Board  
Majority independent  
Board-appointed Chairperson  
1-year term  
At least 1 member is a financial expert  
(*audit*)

## Authority

Board-appointed  
Reports to Board  
Committee has unrestricted access to Corporation's documents, personnel, outside advisors, and auditors

## Meetings & Reporting

Meetings occur at least 2x per year  
(*comp, corp. governance, and audit*)  
Meetings occur at least 1x per year  
(*reserves*)  
Conducts annual review of responsibilities and terms of reference

### Compensation



**Corporate Governance**



**Audit**



**Reserves**