

LIMITS OF SPENDING AUTHORITY

As part of the Strategic Planning Process, the Board, after a careful review of Management’s Operating Plan, approves the supporting annual Operating and Capital Budgets. Responsibility for implementation of the plan then rests with the President and Chief Executive Officer (the “CEO”).

To facilitate implementation, the Board delegates broad spending authorities to the CEO. In accordance with Article 2 (2.2) of the Bylaws, the Board also designates that certain orders and other contracts which exceed a stated monetary limit may only be entered into on written authority of the Board. The Bylaws require as well that the Board authorize all contracts for the acquisition and disposition of real property.

CEO

1. OPERATING BUDGET

Routine operations within approved budget	Unlimited Authority except as noted below
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1.1 Write-off of bad debts greater than \$2,000,000 will be approved by the Board

2. CAPITAL BUDGET

Specified budget expenditures	Unlimited Authority except as noted below
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2.1 Asset acquisition packages greater than \$2,000,000 including Information Technology projects will be individually approved by the Board

2.2 Unbudgeted emergency capital requirements greater than \$2,000,000 will be submitted to the next regularly scheduled meeting of the Board for approval

2.3 Increases greater than \$2,000,000 for an individual capital budget item will be approved by the Board

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3. ORDERS AND OTHER CONTRACTS REQUIRING BOARD APPROVAL

- Mortgages/Debt
- Any contract with a term greater than 10 years
- Contracts representing a commitment of more than \$5,000,000 per annum
- Client Services Contracts (new, termination, significant amendments) representing a commitment of more than \$5,000,000 per annum
- Operating leases representing a commitment of more than \$1,000,000 per annum
- Benefit Plans
- External auditors

The Board will be informed of any contracts which, in the judgment of the CEO may be of special interest to members of the Board.

4. ACQUISITION OR DISPOSAL OF REAL PROPERTY

All contracts for the acquisition or disposal of real property must have the prior approval of the Board except for contracts for the disposition of assets having a value of \$150,000 or less which may be presented to the Board for approval at the first scheduled meeting following the completion of the transaction.

5. DESIGNATIONS

- 5.1 The President and Chief Executive Officer may designate limits of signing authority to the Chief Financial Officer, the Vice-Presidents and other senior corporate staff members with specific areas of responsibility. A current listing of all such designations is available to the Board Audit and Finance Committee upon request.
- 5.2 Vice-Presidents and senior corporate staff members will complete a similar delegation of specific signing authorities for expenditures under their direct control and have this delegation and any changes thereto approved by the Chief Financial Officer.