

EXECUTIVE COMMITTEE TERMS OF REFERENCE

1. CREATION

The Executive Committee (the “Committee”) is established pursuant to Section 13 of the *Bank of Canada Act* (the “Act”) as a committee of the Board of Directors of the Bank of Canada (the “Board”).

2. MEMBERSHIP

- 2.1 The membership of the Committee includes the three *ex-officio* members prescribed in the Act, namely: the Governor, the Senior Deputy Governor and the Deputy Minister of Finance (or alternate).
- 2.2 In addition to the *ex-officio* members and according to By-law 5, the Board shall annually appoint not less than two nor more than four directors appointed under Section 9 of the Act to be members of the Committee. The members will typically be the Chairs of the Standing Committees. To the extent possible, the Board shall ensure that the appointees reflect directors' experience on the Board.
- 2.3 Attendance at meetings is limited to members only. However all directors will receive the meeting documentation.

3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

- 3.1 In accordance with the Act, the Committee may deal with any matter within the competence of the Board. Without limiting this statutory power, the following matters should be decided solely by the Board:
 - Appointments under Subsection 6(1) or Section 7 of the Act.
 - Authorization under Subsection 8(3) of the Act.
 - Increase in the capital of the Bank under Subsection 17(1) of the Act.
 - The enactment of any by-law under Section 15 or Subsection 35(1) of the Act.
- 3.2 Subject to Section 3.1 of the Terms of Reference, the Committee shall have the following specific duties:
 - (a) Exercise, in circumstances in which it is impossible or impractical to convene a meeting of the Board and after receiving the appropriate delegation from the Board, the powers of the Board as they relate to the approval of, authorization for, or consent to any corporate action of the Bank that would otherwise require the approval of the Board itself.
 - (b) Provide a forum for Bank management to seek comment in an informal manner on broad policy and planning matters relating to the administration of the Bank before their presentation to and approval by the Board or by its committees.

- (c) Pursuant to Section 15 of the Act and By-law 11, receive and consider an annual report from the Human Resources and Compensation Committee concerning staffing and employment matters relating to the Bank, in such form and at such time as the Executive Committee deems appropriate.
- (d) Report to the Board in respect of such matters arising from the performance of the foregoing duties.

4. CHAIRPERSON

The Governor shall chair the Committee. If the Governor is absent or unable to act or if the office of Governor is vacant, the Senior Deputy Governor shall act in the place of the Governor.

5. MEETINGS

The Committee shall meet at such times and places as it may determine or upon notice from the Chairperson.

When required because of time constraints, the Committee may make decisions via consent resolution.

6. QUORUM

Two voting members of the Committee constitute a quorum; one shall be either the Governor or the Senior Deputy Governor while the other shall be a director appointed pursuant to Section 9 of the Act.

7. DECISIONS

7.1 The Corporate Secretary shall keep and maintain books containing the minutes of the proceedings of each meeting of the Committee.

7.2 Minutes of each meeting of the Committee, or a summary of those minutes, shall be submitted to the next scheduled meeting of the Board.

8. REVIEW OF TERMS OF REFERENCE

The Committee shall review its terms of reference on an annual basis and recommend any changes to such terms to the Board.

APPROVED BY RESOLUTION OF THE BOARD AT ITS MEETING OF
8 APRIL 2009.