

CENTRAL FUND OF CANADA LIMITED
CORPORATE GOVERNANCE COMMITTEE

MANDATE

The Corporate Governance Committee (the “Committee”) shall operate as follows:

Responsibilities

The Committee shall have a broad responsibility for examining corporate governance practices observed within the Corporation (including Board and Committee practices and performance) and for making recommendations with respect to such matters to the Board. The duties and responsibilities of the Committee are set out below, and shall be considered by the Board and modified as required from time to time:

- (a) oversee the size and composition of the Board and its committees and provide advice to the Board in this regard;
- (b) annually review Board effectiveness including time commitments, conflicts of interest and continuing qualification and contribution by individual Board members and effectiveness of committees of the Board;
- (c) assess the quality and effectiveness of the Board’s relationship with management;
- (d) recommend topics of interest or importance for discussion and/or action by the Board and address information requirements of the Directors;
- (e) assess and propose to the full Board new nominees to the Board;
- (f) approve the engagement by an individual director of an outside legal or other advisor at the expense of the Corporation;
- (g) keep generally abreast of changes in corporate governance practices and policies in general; and
- (h) report to the Board after each of the Committee’s meetings.

Composition

The Committee shall consist of not less than three Directors. All of the members shall be “outside” directors and at least a majority shall be “unrelated directors” as contemplated by the Guidelines of the Toronto Stock Exchange. No member shall be related to an officer or employee of the Corporation.

Members of the Committee shall be appointed by the Board, and shall hold office subject to re-appointment on an annual basis. A member may be removed or replaced at any time by the Board. A member shall cease to be a member of the Committee on ceasing to be a Director.

Procedures

The Committee shall have adequate resources and authority to discharge its responsibilities.

The times and locations of meetings of the Committee, the calling of such meetings and all aspects of procedure at such meetings shall be determined by the Committee, as the case may be, provided that in every case:

- (a) the presence of at least two members shall be necessary to constitute a quorum; and
- (b) the acts of the Committee or any sub-committee, at a duly constituted meeting, shall require no more than the vote of a majority of the members present and that, furthermore, in any circumstance, a resolution or other instrument in writing signed by all members of the Committee shall avail as the act of the Committee.

The Secretary of the Committee shall be the Secretary of the Corporation.