



# **MANDATE OF THE BOARD OF DIRECTORS**

**Updated October 10, 2018**






# Mandate of the Board of Directors

The Board of Directors (the “Board”) of the Corporation is responsible for the stewardship of the Corporation and fostering its long-term success. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation and its shareholders. In general terms, the Board will:

1. In consultation with the Chief Executive Officer of the Corporation (the “CEO”), define the principal objectives of the Corporation;
2. Supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation’s principal objectives as defined by the Board, subject to the CEO being responsible for day-to-day management of the Corporation;
3. Discharge the duties imposed on the Board by applicable laws; and
4. For the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

## Strategic Direction, Operating, Capital and Financial Plans


1. Require the CEO to present annually to the Board a longer range strategic plan and a shorter range business plan for the Corporation’s business, which plans must:
    - (a) Be designed to achieve the Corporation’s principal business objectives;
    - (b) Identify the principal strategic and operational opportunities and risks of the Corporation’s business; and
    - (c) Be approved by the Board as a pre-condition to the implementation of such plans.
  2. Review progress towards the achievement of the goals established in the strategic, operating and capital plans;
  3. Identify the principal risks of the Corporation’s business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
  4. Approve the annual operating and capital plans;
  5. Approve acquisitions and business combinations;
  6. Approve issuances of additional common shares or other securities to the public;
  7. Approve issuances of additional common shares or other securities via a private placement;
  8. Monitor the Corporation’s progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.
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## Management and Organization


1. Appoint the CEO and determine the terms of the CEO's employment with the Corporation;
2. At least annually, evaluate the performance of the CEO and other executive officers;
3. Review with the assistance of the Nominating/Corporate Governance/Compensation Committee, the succession plan for the CEO;
4. In consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
5. In consultation with the CEO, appoint all officers of the Corporation and approve the terms of each officer's employment with the Corporation;
6. Approve any proposed significant change in the management organization structure of the Corporation;
7. Approve any and all retirement plans for officers and senior management of the Corporation;
8. In consultation with the CEO, establish a communications policy for the Corporation;
9. Generally provide advice and guidance to management;
10. Be responsible for succession planning with respect to both the Board and senior management. This responsibility may be delegated to the Corporate Nominating/Corporate Governance/Compensation Committee of the Board;
11. Any director who wishes to engage an independent advisor to assist on matters involving the discharge of duties and responsibilities as a director at the expense of the Corporation should review the request with, and obtain the authorization of, the Nominating/Corporate Governance/Compensation Committee of the Board; and
12. Ensure timely communication of material corporate information to shareholders.


## Finances and Controls

1. Use reasonable efforts to ensure that the Corporation maintains appropriate systems to manage the risks of the Corporation's business;
  2. Review and approve compensation of CEO and CEO's corporate direct reports
  3. Monitor the appropriateness of the Corporation's capital structure;
  4. Ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
  5. Establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "Code") and ensuring that management has established a system to monitor compliance with this code; and
  6. Establishing, reviewing and updating periodically a Whistleblower Policy and ensuring that management has established a system to monitor compliance with this code; and
  7. Require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by the Corporation and its officers and employees;
  8. Require that the CEO institute and maintain the integrity of, internal control and
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- information systems, including maintenance of all required records and documentation;
9. Satisfy itself as to the integrity of the CEO and other executive officers of the Corporation; and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
  10. Review and approve material contracts to be entered into by the Corporation and material transactions not in the ordinary course of business;
  11. Review and approve dividends for declaration;
  12. Recommend to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporate auditors and to set the annual remuneration of the chartered accountants; and
  13. Take all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;

## Governance

1. Facilitate the continuity and effectiveness of the Board by, amongst other things,
    - (a) Selecting nominees for election to the Board;
    - (b) Appointing a Chair of the Board, who should be an independent director;
    - (c) Appointing from amongst the directors an audit committee, nominating/corporate governance/compensation committee, investment committee and such other committees of the Board as the Board deems appropriate;
    - (d) Defining the mandate of each committee of the Board;
    - (e) Delegating for approval or review the matters set out in each Board Committee's mandate to that committee;
    - (f) Fostering effective communication between the Board and each Board Committee by requiring each committee chair to provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting;
    - (g) Ensuring that processes are in place and are utilized to assess the size of the Board, the effectiveness of the Chair of the Board, that Board as a whole, each committee of the Board and each director;
    - (h) Providing an orientation and education program to new members of the Board as deemed necessary, with an emphasis on the role of the Board, its Committees and directors, and the nature and operation of the Corporation's business; and
    - (i) Enabling any director to engage and outside adviser at the expense of the Corporation, subject to approval of a meeting of the independent directors;
  2. Review annually the adequacy and form of the compensation of directors;
  3. Review annually, with the assistance of the Audit Committee and Nominating/Corporate Governance/Compensation Committee, reports provided by management on compliance with, or material deficiencies of policies relating to employee conduct, ethics and reputation and legal risks and approve changes it considers appropriate;
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4. Approve annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
  5. Determine annually which directors should be classified as "independent" directors, "related" directors or "unrelated" directors pursuant to any such report or circular; such determinations will be governed by regulations and guidelines currently in effect when the determination is made.
  6. Hold regular, in-camera meetings of the independent directors only, without management or related directors present; and
  7. Ensure legal requirements have been met and documents and records have been properly prepared, approved and maintained.

## **DELEGATION**

The Board may constitute, seek the advice of and delegate its duties to and receive reports and recommendations from any committee of the Board.

## **MEETINGS AND ADMINISTRATIVE MATTERS**

1. At all meetings of the Board every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote;
  2. Members of the Board are expected to attend meetings of the Board and any Board committees of which the directors are a member and to review related materials in advance;
  3. The Chair shall preside at all meetings, unless the Chair is not present, in which case the members of the Board present shall designate from among the members present the Chair for purposes of the meeting;
  4. A quorum for meetings of the Board shall be a majority of its members then in office;
  5. Meetings of the Board should be scheduled to take place at least four times per year and at such other times as the Chair may determine;
  6. Agendas, approved by the Chair, shall be circulated to Board members along with background information on a timely basis prior to the Board meeting;
  7. The Board may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Board and assist thereat in the discussion and consideration of the matters being considered;
  8. Minutes of the Board will be recorded and maintained and circulated to all directors prior to the next meeting of the Board;
  9. The Board may retain, at the expense of the Corporation, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities; and
  10. The Board shall ensure that the independent directors meet regularly, and in no case less frequently than quarterly, without non-independent directors or management present.
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