



## MANDATE OF THE BOARD OF DIRECTORS

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The directors are responsible for the stewardship of the business and affairs of the Company. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Company's strategic plans, annual budgets and significant decisions and transactions as well as by overseeing the senior officers of the Company in their management of its day-to-day business and affairs. The Board's primary role is to oversee corporate performance and assure itself of the quality, integrity, depth and continuity of management so that the Company is able to successfully execute its strategic plans and complete its corporate objectives.

The Board delegates to the senior officers the responsibility for managing the day-to-day business of the Company. The Board discharges its responsibilities to oversee management directly and through the Audit Committee, the Corporate Governance Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. At all times, the Board will retain its oversight function and ultimate responsibility for matters that the Board may delegate to Board committees.

All the members of the Board must have the skills and qualifications required for appointment as a director. The Board as a whole must reflect a diversity of particular experience and qualifications to meet the Company's specific needs.

The mandate of the Board also includes but is not limited to:

## **Management**

- a) Appointing the Chief Executive Officer and the other senior officers of the Company. The Board, through the Compensation Committee, is also responsible for approving the annual compensation of the Chief Executive Officer and the other officers of the Company and determining their objectives.
- b) Ensuring that management succession planning programs are in place, including programs to recruit management with the highest standards of integrity and competence and train, develop and retain them. The Board is also responsible for reviewing and approving such succession plans including those concerning the current and future organizational structure of the Company, in each case.
- c) Through the Compensation Committee, establishing and updating the Company's executive compensation policy and ensuring that such policy aligns management's interests with those of the shareholders.

## **Corporate Governance**

- a) Approving the Board's composition and size, the selection of the Chair of the Board, the candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation as well as managing succession planning issues concerning the Board to ensure that it has an appropriate balance in terms of skills and experience. In doing so, the Board will respond to recommendations received from the Corporate Governance Committee but will always retain responsibility for giving its approval.
- b) Directly, and through the Corporate Governance Committee, developing the Company's approach to governance issues.
- c) Putting in place appropriate structures and procedures to ensure that the Board can function independently of management.
- d) Developing a mandate or position description for the Chairman, the Chief Executive Officer and each Committee Chair.
- e) Reviewing annually the size and composition of the Board and its committees based on qualification, skills and personal abilities sought in Board members and as against their respective charters and mandates. Additionally, the Board members individual performance is reviewed against the Company's Statement of Expectations for Directors.

## **Strategic Planning**

- a) Participating directly, and through its committees, in the review, discussion and approval of the Company's strategic plan. The Board is also responsible for discussing and considering the strategic plan and whether it remains appropriate taking into account the risks and opportunities inherent in the Company's business.

- b) Reviewing and considering the business, operating, financial and other plans proposed by management by which the Company will execute its strategic plan.
- c) Reviewing and approving the Company's annual and short-term corporate objectives developed by management.
- d) Providing input to management on emerging trends and issues that may affect the business of the Company, its corporate strategy or its annual and short-term corporate objectives.
- e) Monitoring the Company's progress in executing its corporate strategy and achieving its annual and short-term corporate objectives and overseeing management in changing such strategic plan or objectives in light of changing circumstances affecting the Company or its businesses.
- f) Taking action as the Board deems appropriate in the event that the Company does not successfully execute certain strategic plans or achieve its annual or short-term corporate objectives or when other special circumstances warrant.

#### **Monitoring of Financial Performance/Reporting and Other Financial Matters**

- a) Reviewing and approving the Company's annual budget presented by management.
- b) Reviewing and approving the Company's annual audited financial statements, as well as the annual Management's Discussion and Analysis, the Annual Information Form (if applicable), Management Proxy Circular, other public offering documents and the Annual Report (if applicable), and unless delegated by the Board to the Audit Committee, the unaudited interim financial statements, interim Management's Discussion and Analysis and interim earnings releases.
- c) Overseeing, directly and through the Audit Committee, the processes implemented to ensure that the financial performance and results of the Company are reported fairly, accurately and in a timely manner in accordance with generally accepted accounting standards and in compliance with legal and regulatory requirements.
- d) Overseeing, directly and through the Audit Committee, the process implemented to ensure integrity of the Company's internal control and management information systems.

#### **Risk Management**

- a) Overseeing the processes by which the principal risks of the Company are identified, assessed and managed and for ensuring that appropriate risk management systems are implemented and maintained with a view to achieving a proper balance between risks incurred and the creation of long-term sustainable value for shareholders.

#### **Environmental Oversight**

- a) Overseeing, with the assistance of management, the processes for the implementation and maintenance of environmental stewardship and health and safety management systems that are consistent with accepted industry practices and comply with applicable laws and regulatory requirements.

#### **Corporate Policies and Procedures**

- a) Directly and through its Board committees, reviewing and approving, and monitoring compliance with, all significant policies and procedures by which the Company and its wholly-owned subsidiaries conduct their business and operations. In discharging such responsibility, the Board shall ensure that such policies and procedures are consistent with the principle that the Company and its wholly-owned subsidiaries must operate at all times in compliance with applicable laws and regulatory requirements and under the highest ethical standards.
- b) Adopting, and reviewing annually, a written code of business conduct and ethics that addresses, among other things, conflicts of interest; protections and use of corporate assets and information; confidentiality of corporate information; fair dealing with the Company's shareholders, customers, suppliers, competitors and employees; compliance with laws, rules and regulations; and the reporting of any illegal or unethical behaviour.
- c) Either directly or through one or more Board committees, monitoring compliance with the Company's code of business conduct and ethics, and considering and if thought appropriate, granting waivers in respect of the code.

**Communications and Reporting**

- a) Approving and reviewing annually the Company's Corporate Disclosure Policy and other communications policies and procedures that address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company and its wholly-owned subsidiaries is conducted.