

## CHARTER OF THE BOARD OF DIRECTORS

### 1. **General**

The board of directors of the Company (the “**Board**”) is responsible for the overall corporate governance of the Company and oversees and directs the management of the Company’s business and affairs. In doing so, it must act honestly, in good faith and in the best interests of the Company, consistent with applicable laws. The Board guides the Company’s strategic direction, evaluates the performance of its senior executives and reviews its financial results. In fulfilling its responsibilities, the Board is expected to take into consideration the interests of shareholders in the preservation and enhancement of the Company’s value and long term financial strength and to be able to function in a manner which allows it to make determinations independent of the views of management.

### 2. **Composition and Operation**

#### 2.1. **Composition**

Nominees for directors are initially considered and recommended by senior management in conjunction with the Board chair, approved by the entire Board and elected annually by the shareholders.

A majority of directors comprising the Board must qualify as independent directors within the meaning of all applicable legal and regulatory requirements.

#### 2.2. **Delegation of Responsibilities**

The Board delegates authority and responsibility to deal with certain specified matters to the following two standing committees:

- (a) Audit Committee; and
- (b) Compensation and Corporate Governance Committee

Each of these committees has its own written charter or mandate detailing its responsibilities, which includes reporting back to the full Board on their considerations and recommendations. These committees oversee and/or carry out a number of the responsibilities of the Board identified in this mandate.

The Board may also from time to time form and empower other committees to carry out duties specified by resolution of the Board.

The Board is responsible for determining the extent of authority to be delegated to management and the limitations to be placed on the exercise of that authority. The Board determines the nature and size of transactions that will require the prior approval of the Board and which other limitations should be placed on management’s responsibility or authority.

**2.3. Reliance on Management**

The Board is responsible for the appointment, oversight and direction of senior management (including through the development and review of position descriptions for the President and Chief Executive Officer and other members of senior management), who are responsible for the conduct of the day to day operations of the Company.

In fulfilling its responsibilities, the Board is entitled to rely on senior management to carry out the Company's approved strategic and business plans and directions from the Board, and to provide regular detailed reports on their areas of responsibility.

The Board is also responsible for establishing expectations of senior management and for monitoring corporate performance against these expectations and the Company's strategic and business plans.

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**3. Duties and Responsibilities**

**3.1. Strategic Planning and Direction**

The Board is responsible for reviewing and approving the Company's strategic and business plans, including the means of achieving the objectives in, and dealing with the risks associated with, those plans and in the Company's operations.

**3.2. Risk Management**

The Board is responsible for identifying the principal risks associated with the Company's business and for implementing appropriate systems to manage those risks. The Board is also responsible for reviewing the integrity of the Company's internal controls and management information systems.

**3.3. Management Performance and Succession Plans**

The Board is responsible for assessing the capabilities and performance of senior management. The Board is also responsible for ensuring that adequate plans are in place for senior management succession and training.

**3.4. Senior Management Compensation**

The Board is responsible for reviewing and approving the form and amount of compensation of senior management.

**3.5. Corporate Governance**

The Board is responsible for developing and reviewing the Company's approach to and compliance with corporate governance issues in the light of applicable laws.

**3.6. Communications**

The Board is responsible for reviewing, on an annual basis, the Company's disclosure policies and procedures to ensure that they comply with applicable laws, rules and regulations and ensuring that its financial results and other information are reported accurately and on a timely and regular basis in accordance with such policies and procedures. The Company's annual report and other required annual and periodic publications are to be reviewed by the Board prior to dissemination. The Board is also responsible for reviewing the Company's other communication practices, including those for receiving feedback from shareholders, other stakeholders and the investment community.

**3.7. Board Performance Evaluation**

The Board is responsible for conducting an annual self-evaluation of its size, composition and effectiveness and the contributions of individual directors and for determining the form and amount of compensation for directors. The Board is also responsible for reviewing, on an annual basis, the Company's orientation and education program for new directors.

**3.8. Appointment and Remuneration of Auditors**

The Board shall, subject to shareholder approval, be responsible for the engagement, remuneration and review of the performance of the Company's auditors.

**3.9. Policies and Procedures**

The Board has the responsibility to:

- (a) approve and monitor, through management, compliance with all significant policies and procedures that govern the Company's operations including:
  - (i) approve and monitor compliance with the Code of Business Conduct and Ethics for the Company and ensure it complies with applicable legal and regulatory requirements, such as relevant securities commissions;
  - (ii) require management to have procedures in place to monitor compliance with the Code of Business Conduct and Ethics and report to the Board through the Compensation and Governance Committee; and
  - (iii) disclosure of any waivers granted or material departure from a provision of the Code of Business Conduct and Ethics in a manner that complies with regulatory requirements.

**3.10. Board Meetings and Materials**

- (a) the members of the Board are expected to attend all meetings of the Board unless prior notification of absence is provided; and
- (b) the members of the Board are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting.