

## **MANDATE OF THE BOARD OF DIRECTORS**

The purpose of this mandate (“Mandate”) of the Board of the Company is to provide guidance to Board members as to their responsibilities. The power and authority of the Board is subject to the provisions of applicable law.

### **Purpose of the Board**

The Board is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through the Audit Committee. Any responsibility which has not been delegated to management or to a Board committee remains with the full Board. The Board has delegated to management and outsourced to third parties responsibility for the day-to-day operation of the Company’s business. The Board is responsible for supervising management and the third parties in carrying out their responsibilities.

### **Membership**

The Board consists of directors elected by the shareholders as provided for in the Company’s constating documents and in accordance with applicable law. From time to time, the Board shall review its size and membership to ensure that it facilitates effective decision-making by the Board in the fulfillment of its responsibilities.

### **Ethics**

Board members shall act in accordance with applicable law and the Company’s Articles and By-laws. Board members shall carry out their responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. If an actual or potential conflict of interest arises, a director or officer shall promptly inform the Secretary of the Company or the Board in accordance with the By-laws and shall refrain from voting or participating in discussion of the matter in respect of which he or she has an actual or potential conflict of interest.

### **Meetings**

The Board shall meet in accordance with a schedule established each year by the Board, and at such other times as the Board may determine. Quorum for the transaction of business at any Board meeting is three directors. Meeting agendas shall be developed in consultation with the Chair. Board members may propose agenda items through communication with the Chair. At the discretion of the President or the Board, members of management and others may attend Board meetings.

### **Responsibilities of the Board**

The Board is responsible for:

1. Establishing investment objectives;
2. Selecting and monitoring the performance of the investment manager(s);
3. Reviewing the terms of arrangements with the investment manager(s) to be consistent with investment objectives;
4. Identifying the principal risks of the Company’s businesses and overseeing appropriate risk management;
5. Monitoring the integrity of the Company’s accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems;
6. Ongoing refinement and disclosure of the Company’s principles and approach to corporate governance, including assessing the effectiveness of the Board, committees and individual directors, the nomination for election and orientation of new directors, and the continuing education of all directors;
7. Being satisfied with the integrity of the President and other executive officers and that these officers are creating a culture of integrity throughout the Company; and
8. Material corporate policies and codes, including but not limited to the following:

- Corporate Disclosure Policy;
- Policy and Procedure for Review of Public Disclosure of Financial Information Extracted from the Financial Statements; and
- Policy and Procedure for Approval of Audit and Non-Audit Services by the External Auditors.

### **Effective and Independent Operation**

The Board recognizes the importance of the effective and independent operation of the Board and, therefore, the Board has adopted the following principles:

- The Board has complete access to the Company's management;
- The Board requires timely and accurate reporting from management; and
- Individual directors may engage an external advisor at the expense of the Company in appropriate circumstances.

### **Board Committees**

Subject to limits on delegation contained in the By-laws and in corporate laws applicable to the Company, the Board has the authority to establish and carry out its duties through committees and to appoint directors to be members of these committees. The Board assesses the matters to be delegated to committees of the Board and the constitution of such committees annually or more frequently, as circumstances require. The Audit Committee is the only standing committee established by the Board. The constitution and responsibilities of the Audit Committee are set out in its mandate. From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board.