



## BOARD OF DIRECTORS' MANDATE

Including the description of the role and responsibilities of the co-chairperson of the board and chief executive officer and the co-chairperson of the board and independent board (see Section 5)

### 1. RESPONSIBILITIES OF THE BOARD

The primary responsibility of the Board of Directors is to manage the Corporation, which means that the Board directs its commercial activities and internal affairs. The Board does not ensure the Corporation's day-to-day management, which is delegated to the Chief Executive Officer and other officers, but rather oversees it. More specifically, the Board shall, among others, either directly or indirectly, through its committees:

- 1.1. Adopt a strategic planning process, and approve, at least once a year, a strategic plan that, among others, takes into account the business' opportunities and risks.
- 1.2. Identify the principal risks inherent to the Corporation's business and ensure the implementation of appropriate management measures and systems to manage such risks.
- 1.3. Succession planning, including appointing, training and supervising Executive Officers.
- 1.4. Implement and follow up on the Corporation's communications policy.
- 1.5. Implement and monitor the integrity of the Corporation's internal control and management information systems.
- 1.6. Assess the performance of officers, develop their compensation policies and determine the compensation of the Chief Executive Officer.
- 1.7. Adopt the Corporation's budgets and financial results and ensure compliance with accounting standards as well as the integrity and sufficiency of the financial information disclosed.
- 1.8. Assess the performance of the Board and each of its members, develop requirements respecting the contributions of directors, establish and update the director selection criteria, annually draft a proposal for the number of directors to be elected and nominate candidates for the various directors' positions on the Board.
- 1.9. Adopt, approve and amend the articles, by-laws or administrative resolutions.
- 1.10. Approve the form and content of certificates representing the Corporation's securities and of the Corporation's books.
- 1.11. Authorize the issuance, purchase or redemption of the securities of the Corporation and approve the process relating thereto.
- 1.12. Formulate a recommendation as to the appointment of the Auditor upon the recommendation of the Audit Committee.
- 1.13. Determine the expediency of declaring dividends and declare such dividends, where applicable.
- 1.14. Create Board committees (including the mandatory Audit Committee and Candidature, Nominating and Governing Committee), establish their mandates and choose their members.
- 1.15. Implement the appropriate methods and structures to ensure the independence of the Board of Directors, including:
  - Make sure that the Board has a sufficient number of independent directors;
  - At least once a year, check the independence and financial literacy of the members of the Audit Committee.
- 1.16. Implement measures to gather the comments of shareholders and allow them to communicate with the Board.



- 1.17. Ensure that all new directors are completely oriented in order that they fully understand the role of the Board of Directors and its committees, as well as the nature and operation of the Corporation's business.
  - 1.18. Provide continuing education opportunities, where necessary, to all directors so that they can maintain and improve their skills and aptitudes as directors as well as update their knowledge and understanding of the Corporation.
  - 1.19. Approve the sale of important assets and any other material transaction involving the Corporation, its share capital, property, rights and obligations.
  - 1.20. Approve the Management Information Circular and Annual Information Form.
  - 1.21. Select the Chairperson (or the Co-Chairpersons, if applicable) of the Board and, where applicable, the Independent Board Leader.
  - 1.22. Insofar as possible, ensure that the Chief Executive Officer and other Executive Officers act with and create a culture of integrity throughout the Corporation. To that end, the Board shall:
    - Adopt a Code of Ethics applicable to the directors, officers and employees of the Corporation, and ensure compliance therewith;
    - Grant directors or Executive Officers exemptions from the Code of Ethics, where deemed appropriate, and ensure that these exemptions are disclosed in the Management Information Circular or in any other manner that complies with the relevant legislation and regulations.
- 2. RESPONSIBILITIES OF THE DIRECTORS AS REGARDS MEETING ATTENDANCE AND EXAMINATION OF DOCUMENTS SUBMITTED TO THEM**
- 2.1. To ensure the efficient performance of their responsibilities, the Board of Directors and Audit Committee shall meet periodically, at least once quarterly, while the other committees shall meet at least once a year.
  - 2.2. Unless prevented by circumstances beyond their control, all directors must attend all meetings of the Board or committees on which they sit.
  - 2.3. Before each meeting, the directors shall receive the documentation required for the following meeting. Each director shall be responsible for examining this documentation before that meeting opens.
- 3. MEETINGS IN THE ABSENCE OF OFFICERS**
- Should it express the desire to do so, the Board of Directors shall have the opportunity to meet in the absence of the officers and non-independent directors either at the end of each Board meeting or at other specific times throughout the year.
- 4. EXTERNAL EXPERTS AND ADVISORS**
- In the performance of its mandate, the Board may retain the services of external advisors at the expense of the Corporation. Where approved by the Board and required by circumstances, any Board committee or director may retain the services of an external advisor at the expense of the Corporation for the purposes of adequately performing its duties and obligations.
- 5. ROLE AND RESPONSIBILITIES OF THE CO-CHAIRPERSON OF THE BOARD AND CHIEF EXECUTIVE OFFICER, CO-CHAIRPERSON OF THE BOARD AND INDEPENDENT BOARD LEADER AND COMMITTEE CHAIRS**
- Given the fact that Corporation is controlled by the holding companies of the Paschini Family and that the Chief Executive Officer is a member of the Paschini family, it has been established that the governance of the Corporation will henceforth include a Co-Chairperson of the Board and Chief Executive Officer and a Co-Chairperson of the Board and Independent Board Leader.

### **5.1. Co-Chairman of the Board and Chief Executive Officer**

- a) As Chief Executive Officer, the Co-Chair of the Board and Chief Executive Officer, shall assume the following responsibilities:
- Supervising the management team and employees of the Corporation.
  - In collaboration with the management team, preparing strategic plans and budgets, financial statements and any other information respecting the affairs of the Corporation that must periodically be submitted to the Board for approval or auditing.
  - Ensuring the daily management and execution of the strategic plan of the Corporation as well as implementing the decisions, guidelines and policies of the Board.
  - Ensuring the efficient use of resources available to the Corporation to achieve its strategic objectives, including its objectives in terms of growth and short- and long-term profitability.
  - Representing the Corporation and ensuring that appropriate relations are maintained with the principal interested parties: employees, shareholders, financial community, governments and general public.
  - Receiving any complaints respecting breaches of the Code of Ethics on the part of the officers and employees and bringing these to the attention of the Board in order that the matter may be dealt with appropriately.
  - Reporting to the Board of Directors and shareholders in matters relating to his mandate.
- b) As Co-Chair of the Board, the Co-Chair of the Board and Chief Executive Officer shall also assume, among others, the following responsibilities, which are fulfilled in close collaboration with the Co-Chair of the Board and Independent Board Leader,
- Planning the meetings of the Board and its committees, establishing the agenda of these meetings in collaboration with the Independent Board Leader and chairs of the committees at issue.
  - In collaboration with the Co-Chair of the Board and Independent Board Leader, ensure that the Board and each of its committees respect their individual mandates (or Charters).
  - Chairing the meetings of the Board of Directors or the shareholders' meetings, when the Co-Chair and Independent Board Leader is unavailable.

### **5.2. Co-Chair of the Board and Independent Board Leader**

- a) The Co-Chair of the Board and Independent Board Leader, shall assume the following responsibilities:
- In collaboration with the Co-Chair of the Board and Chief Executive Officer, planning the meetings of the Board and its committees, establishing the agenda of these meetings in collaboration with the Co-Chair of the Board and chairs of the committees at issue, and coordinating the activities of the Corporate secretariat as regards the affairs of the Board and its committees with the Executive Vice-President, Treasurer and Corporate Secretary and the General Counsel.
  - Chairing all of the meetings of the Board, ensuring the proper and efficient conduct thereof, ensuring that all members are able to express their opinions on the topics being discussed and making sure that the decisions made by the Board are clear.
  - Presiding over the meetings of the shareholders of the Corporation.
  - Ensuring that all strategically important issues are communicated to the Board for approval and that the Board receives the information, reports, documents it needs to allow its members to fully assume their role.
  - Following up on the implementation of decisions made by the Board and monitoring the application of control systems adopted by the Board.

- Ensuring that all policies of the Board relating to compliance with regulations as well as ethics and conduct standards are communicated to all interested parties.
- Together with the other independent directors, overseeing the Executive Officers.
- Ensuring that the independent directors are able to meet or avail themselves of discussion periods in the absence of the Executive Officers and the non-independent directors.
- Periodically (at least once a year), together with a CNG committee composed mostly of independent directors of which he shall be a member:
  - reviewing the needs of the Corporation in terms of succession planning within management and making recommendations to the Board in that respect, when appropriate;
  - evaluating the performance of officers, making recommendations to the Board in respect of the compensation policies that apply to officers, directors and the Chief Executive Officer; and
  - evaluating the performance of the Board and each of its members, developing director contribution requirements, making recommendations to the Board as regards director selection criteria, the number of directors to be elected and the nomination of candidates to the various directors' positions on the Board and on the Board's committees.
- Ensuring that the budgets and financial results of the Corporation, along with all issues relating to the mandate or selection of the Auditor, are duly examined by an Audit Committee composed entirely of independent directors prior to their approval by the Board and disclosure to the public.
- Receiving any complaints respecting breaches of the Code of Ethics on the part of Executive Officers and non-independent directors and bringing them to the attention of the Board in order that they may be dealt with appropriately.
- In collaboration with the Co-Chairman of the Board and Chief Executive Officer, ensuring that the Board and each of its committees respect their individual mandates (or charters).

### 5.3. Committee Chairs

- a) Every chair of a Board committee shall have, among others, the following responsibilities:
  - Planning committee meetings, establishing the agenda of these meetings together with the Independent Board Leader and the Chairman of the Board, and coordinating the activities of the Corporate Secretary as regards the affairs of the committee.
  - Chairing all of the meetings of the committee, ensuring the proper and efficient conduct thereof, ensuring that all members are able to express their opinions on the topics being discussed and making sure that the decisions or recommendations made by the committee are clear.
- b) The chair of a committee shall report to the Board in matters relating to his mandate and to the work of his committee.

## 6. NON-RESTRICTIVE MANDATE - FULL AUTHORITY OF THE BOARD

The responsibilities of the Board described in this mandate are non-restrictive. The Board shall also assume all of the responsibilities it may be vested with under the articles and by-laws of the Corporation or any applicable legislation and regulations.

Subject to the articles and by-laws of the Corporation and applicable legislation and regulations, the Board may delegate some of its responsibilities to certain members or Board committees. Where applicable, any such delegation shall not dilute the responsibilities of the other directors or the authority of the Board, the purpose being simply to facilitate the Board's work, making it more efficient and complete.