



# Mandate of the Directors

## Who is this for?

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The Mandate of the Directors (this “Mandate”) applies to members of the Board of Directors (individually a “Director” and collectively the “Board”).

## Key Messages

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- The primary function of the Directors of Mogo is to supervise the management of the business and affairs of Mogo.
- The fundamental objectives of the Board are to enhance and preserve long-term shareholder value and to ensure that Mogo conducts business in an ethical and safe manner.
- The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for Mogo and to participate with management directly or through committees in developing and approving the strategy by which Mogo proposes to achieve these goals.
- The Board operates by delegating certain responsibilities and duties set out below to management or committees of the Board and by reserving certain responsibilities and duties for the Board.

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# 1. Purpose

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## **Purpose**

The primary function of the Directors of Mogo Inc., including its subsidiaries and affiliates (collectively, “Mogo”), is to supervise the management of the business and affairs of Mogo.

Management is responsible for the day-to-day conduct of the business of Mogo. The fundamental objectives of the Board are to enhance and preserve long-term shareholder value and to ensure that Mogo conducts business in an ethical and safe manner. In performing its functions, the Board considers the legitimate interests that stakeholders, such as employees, customers and communities, may have in Mogo. In carrying out its stewardship responsibility, the Board, through Mogo’s Chief Executive Officer (the “CEO”), sets the standards of conduct for Mogo.

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# 2. Procedure and Organization

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## **Board and management delegation of duties**

The Board operates by delegating certain responsibilities and duties set out below to management or committees of the Board and by reserving certain responsibilities and duties for the Board.

The Board retains the responsibility for managing its affairs, including selecting its chair (the “Chair of the Board”) and constituting committees of the Board.

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## **Independence**

A majority of the members of the Board must be independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and the rules of any stock exchange or market on which Mogo’s shares are listed or posted for trading (collectively, “Applicable Governance Rules”). In the event the Board selects a non-independent Director to serve as the Chair of the Board, it will also consider selecting an independent Director to serve as the independent lead Director (the “Lead Director”). For more information, see the Lead Director Position Description.

In this Mandate, the term “independent” includes the meanings given to similar terms by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules. The Board assesses, on an annual basis, the adequacy of this Mandate.

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### 3. Principal Responsibilities and Duties

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The principal responsibilities and duties of the Board fall into a number of categories which are summarized below.

#### (a) Legal Requirements

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##### Overall responsibility

The Board has the overall responsibility to ensure that applicable legal requirements are complied with and documents and records have been properly prepared, approved and maintained.

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##### Statutory responsibility

The Board has the statutory responsibility to, among other things:

- supervise the management of, the business and affairs of Mogo;
  - act honestly and in good faith with a view to the best interests of Mogo;
  - declare conflicts of interest, whether real or perceived<sup>1</sup>;
  - exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
  - act in accordance with the obligations contained in the *Business Corporations Act* (British Columbia), the regulations thereunder, the memorandum and articles of Mogo, applicable securities laws and policies, applicable stock exchange rules, and other applicable legislation and regulations.
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##### Matters which may not be delegated

The Board has the responsibility for considering the following matters as a Board which may not be delegated to management or to a committee of the Board:

- any submission to the shareholders of any question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the Directors or in the office of auditor, the appointment of any additional Directors and the appointment or removal of any of the CEO, the Chair of the Board or the President of Mogo;
- the issue of securities except as authorized by the Board;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of shares issued by Mogo;

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<sup>1</sup> The Chair of the Corporate Governance, Compensation and Nominating Committee is responsible for receiving and reviewing any matters that may pose a potential or actual conflict of interest. Directors will declare actual or potential conflicts to the Chair of this Committee. If the conflict involves the Chair of this Committee, the matter can be disclosed to the Chair of the Board.

- the payment of a commission to any person in consideration of the person purchasing or agreeing to purchase shares of Mogo from Mogo or from any other person, or procuring or agreeing to procure purchasers for any such shares except as authorized by the Board;
- the approval of a management information circular;
- the approval of a take-over bid circular, Directors' circular or issuer bid circular
- the approval of an amalgamation of Mogo;
- the approval of an amendment to the memorandum or articles of Mogo;
- the approval of annual financial statements of Mogo; and
- any other matter which is required under the Applicable Governance Rules or applicable corporate laws to be decided by the Board as a whole.

In addition to those matters which at law cannot be delegated, the Board must consider and approve all major decisions affecting Mogo, including all material acquisitions and dispositions, material capital expenditures, material debt financings, issue of shares and granting of options.

## **(b) Strategy Development**

### **Long-term goals and strategic planning**

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for Mogo and to participate with management directly or through committees in developing and approving the strategy by which Mogo proposes to achieve these goals (taking into account, among other things, the opportunities and risks of the business).

## **(c) Risk Management**

### **Principal risks**

The Board has the responsibility to safeguard the assets and business of Mogo, identify and understand the principal risks of the business, and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of Mogo.

## **(d) Appointment, Training and Monitoring Senior Management**

### **Senior Management oversight**

The Board has the responsibility to:

- appoint the CEO, and together with the CEO, to develop a position description for the CEO;
- with the advice of the Corporate Governance, Compensation and Nominating Committee, develop corporate goals and objectives that the CEO is responsible for meeting and to monitor and assess the

performance of the CEO in light of those corporate goals and objectives and to determine the compensation of the CEO;

- provide advice and counsel to the CEO in the execution of the duties of the CEO;
- develop, to the extent considered appropriate, position descriptions for the Chair of the Board and the chair of each committee of the Board;
- approve the appointment of all corporate officers;
- in consultation with the CEO or CFO, approve the termination of officers and/or any other positions where employees have board reporting responsibilities;
- consider, and if deemed appropriate, approve, upon the recommendation of the Corporate Governance, Compensation and Nominating Committee and the CEO, the remuneration of all corporate officers;
- consider, and if deemed appropriate, approve, upon the recommendation of the Corporate Governance, Compensation and Nominating Committee, incentive-compensation plans and equity-based plans;
- subject to any necessary input from the Corporate Governance, Compensation and Nominating Committee, approve grants to participants and the magnitude and terms of their participation; and
- ensure that adequate provision has been made to train and develop management and for the orderly succession of management, including the CEO.

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#### **(e) Ensuring Integrity of Management**

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**Integrity of management** The Board has the responsibility, to the extent considered appropriate, to satisfy itself as to the integrity of the CEO and other officers of Mogo and to ensure that the CEO and such other officers are creating a culture of integrity throughout Mogo.

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#### **(f) Policies, Procedures and Compliance**

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**Policies, procedures and compliance** The Board is responsible for the oversight and review of the following matters and may rely on management to the extent appropriate in connection with addressing such matters:

- ensuring that Mogo operates at all times within applicable laws and regulations and to appropriate ethical and moral standards;
- approving and monitoring compliance with significant policies by which the business of Mogo is conducted;

- ensuring that Mogo sets appropriate environmental standards for its operations and operates in material compliance with environmental laws and legislation;
  - ensuring that Mogo has a high regard for the health and safety of its employees in the workplace and has in place appropriate programs and policies relating thereto;
  - developing the approach of Mogo to corporate governance, including to the extent appropriate, developing a set of governance principles and guidelines that are specifically applicable to Mogo; and
  - examining the corporate governance practices within Mogo and altering such practices when circumstances warrant.
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## **(g) Reporting and Communication**

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### **Reporting and communication**

The Board is responsible for the oversight and review of the following matters and may rely on management to the extent appropriate in connection with addressing such matters:

- ensuring that Mogo has in place policies and programs to enable Mogo to communicate effectively with management, shareholders, other stakeholders and the public generally;
  - ensuring that the financial results of Mogo are adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
  - ensuring that the financial results are reported fairly and in accordance with applicable generally accepted accounting standards;
  - ensuring the timely and accurate reporting of any developments that could have a significant and material impact on the value of Mogo; and
  - reporting annually to the shareholders of Mogo on the affairs of Mogo for the preceding year.
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## **(h) Monitoring and Acting**

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### **Monitoring and taking action**

The Board is responsible for the oversight and review of the following matters and may rely on management to the extent appropriate in connection with addressing such matters:

- monitoring the Mogo's progress in achieving its goals and objectives and, if necessary, revising and altering, through management, the direction of Mogo in response to changing circumstances;

- considering taking action when performance falls short of the goals and objectives of Mogo or when other special circumstances warrant;
  - reviewing and approving material transactions involving Mogo;
  - ensuring that Mogo has implemented adequate internal control and management information systems;
  - assessing the individual performance of each Director and the collective performance of the Board; and
  - overseeing the size and composition of the Board as a whole to facilitate more effective decision-making.
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#### (i) Voting on Board Matters

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##### Voting

As it relates to voting on matters of the Board, Mogo's Articles state:

- *“Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.”*
  - *“A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.”*
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## 4. Board's Expectations of Management

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##### What the Board expects of management

The Board expects each member of management to perform such duties, as may be reasonably assigned by the Board from time to time, faithfully, diligently, to the best of their ability, and in the best interests of Mogo. Each member of management is expected to devote substantially all of their business time and efforts to the performance of such duties. Management is expected to act in compliance with and to ensure that Mogo is in compliance with all laws, rules and regulations applicable to Mogo.

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## 5. Responsibilities and Expectations of Directors

The responsibilities and expectations of each Director are as follows:

### (a) Commitment and Attendance

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#### **Attend meetings**

All Directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Members may attend by telephone.

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### (b) Participation in Meetings

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#### **Be prepared and participate**

Each Director should be sufficiently familiar with the business of Mogo, including its financial position and capital structure and the risks and competition it faces, to actively and effectively participate in the deliberations of the Board and of each committee on which he or she is a member.

Upon request, management should make appropriate personnel available to answer any questions a Director may have about any aspect of the business. Directors should also review the materials provided by management and Mogo's advisors in advance of meetings of the Board and committees and should arrive prepared to discuss the matters presented.

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### (c) Code of Business Conduct and Ethics

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#### **Code of Business Conduct and Ethics**

Mogo has adopted a Code of Business Conduct and Ethics (the "Code") to outline business conduct expectations of Directors, officers, employees, contractors and consultants of Mogo. Directors should be familiar with the provisions of the Code of Business Conduct and Ethics. The Board periodically reviews the Code and approves all material amendments. Through reporting from management, the Board monitors compliance with the Code. Each Director should also strive to perform their duties in keeping with current and emerging corporate governance best practices for directors of publicly-traded corporations.

The Board periodically reviews Mogo's compliance and ethics programs, including consideration of legal and regulatory requirements, and reviews with management its periodic evaluation of the effectiveness of such programs.

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#### (d) Other Directorships

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##### **Participation on other boards**

Mogo values the experience Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Director's time and availability, and may also present conflict of interest issues.

Directors should advise the chair of the Corporate Governance, Compensation and Nominating Committee before accepting any new membership on other boards of directors or any other affiliation with other businesses or governmental bodies which involve a significant commitment by the Director.

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#### (e) Contact with Management

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##### **Access to management**

All Directors may contact the CEO at any time to discuss any aspect of the business of Mogo. Directors also have complete access to other members of management.

The Board expects that there will be frequent opportunities for Directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

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#### (f) Confidentiality

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##### **Maintain confidentiality**

The proceedings and deliberations of the Board and its committees are, and shall remain, confidential. Each Director must maintain the confidentiality of information received in connection their services as a Director of Mogo.

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#### (g) Evaluating Board Performance

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##### **Board performance self-evaluation**

The Board, in conjunction with the Corporate Governance, Compensation and Nominating Committee, and each of the committees of the Board should conduct a self-evaluation periodically to assess their effectiveness.

In addition, the Corporate Governance, Compensation and Nominating Committee should periodically consider the mix of skills and experience that Directors bring to the Board and assess on an ongoing basis, whether the Board has the necessary composition to perform its oversight function effectively.

The Board may, as appropriate, consult with an external firm to evaluate the necessary composition and competencies of the collective Board.

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## (h) Individual Evaluation

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### Individual evaluation

Each Director will be subject to a periodic evaluation of their individual performance. The collective performance of the Board and of each committee of the Board will also be subject to review from time to time. Directors should be encouraged to exercise their duties and responsibilities in a manner that is consistent with this Mandate and with the best interests of Mogo and its shareholders generally.

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## 6. Qualifications and Directors' Orientation

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### Qualifications and orientation

Directors should have the highest personal and professional ethics and values and be committed to advancing the interests of Mogo. They should possess skills and competencies in areas that are relevant to the business of Mogo.

The CEO, the Chair of the Board and the Corporate Governance, Compensation and Nominating Committee are jointly responsible for the provision of an orientation program for new Directors to explain Mogo's approach to corporate governance and the nature and operation of its business. The CEO is also responsible for generating continuing education opportunities for all Directors so that members of the Board may maintain and enhance their skills as Directors.

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## 7. Meetings

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### Meeting frequency

The Board should meet on at least a quarterly basis and should hold additional meetings as required or appropriate to consider other matters. In addition, the Board should meet as it considers appropriate to consider strategic planning for Mogo. Financial and other appropriate information should be made available to the Directors in advance of Board meetings. Attendance at each meeting of the Board should be recorded. Management may be asked to participate in any meeting of the Board, provided that the CEO must not be present during deliberations or voting regarding the CEO's compensation.

Independent Directors should meet separately from non-independent Directors and management at least twice per year in conjunction with regularly scheduled Board meetings, and at such other times as the independent Directors consider appropriate to ensure that the Board functions in an independent manner.

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## 8. Committees

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### **Board committees**

The Board has established an Audit Committee and a Corporate Governance, Compensation and Nominating Committee to assist the Board in discharging its responsibilities. Special committees of the Board may be established from time to time to assist the Board in connection with specific matters. The chair of each committee should report to the Board following meetings of the committee. The charter of each standing committee should be reviewed annually by the Board.

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## 9. Resources

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### **Resources**

The Board has the authority to retain independent legal, accounting and other consultants. The Board may request any officer or employee of Mogo or outside counsel or the external/internal auditors to attend a meeting of the Board or to meet with any member of, or consultant to, the Board.

Directors are permitted to engage an outside legal or other adviser at the expense of Mogo where for example he or she is placed in a conflict position through activities of Mogo, but any such engagement may be subject to the prior approval of the Corporate Governance, Compensation and Nominating Committee.

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### **Related documentation**

- Code of Business Conduct and Ethics
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