

## **APPENDIX A – TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

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### **1. INTRODUCTION**

The Board is responsible for the stewardship of the Company and overseeing the management of the Company's business and affairs. The Board may discharge its responsibilities by delegating certain duties to committees of the Board and to management. The specific duties delegated to each committee of the Board are outlined in the terms of reference for those committees.

### **2. NO DELEGATION**

2.1 The Board may not delegate the following matters to any committee:

- a) the removal of a director from or the filling of a vacancy on the Board or any Board committee;
- b) the issuance of securities except on the terms authorized by the directors;
- c) the declaration of dividends;
- d) the purchase, redemption or any other form of acquisition of shares issued by the Company except on terms authorized by the directors;
- e) the appointment or removal of the President or the CEO;
- f) the establishment of any Board committee and its terms of reference and the modification of the terms of reference of any existing committee;
- g) the adoption, amendment or repeal of the charter documents of the Company; and
- h) any other matter which is required under applicable corporate or securities laws to be decided by the Board as a whole.

### **3. BOARD OF DIRECTORS**

#### **3.1 Composition**

- a) The number of directors to be elected at a meeting of the shareholders will be a minimum of 10 and a maximum of 16 directors, including the Chair, a majority of whom are Independent Directors.
- b) Subject to election by the shareholders and the requirements of the applicable laws, the Company's charter documents and the rules of any stock exchanges on which the shares of the Company are listed, the CEO will be a member of the Board.
- c) The Chair of the Board must be an Independent Director. If this is not desirable in the circumstances, an Independent Lead Director shall be appointed.

## **APPENDIX A – TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

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### **3.2 Meetings**

- a) The Board will meet at least once each quarter and, including such quarterly meetings, a minimum of five times a year. Some of the Board's meetings may be held in locations other than Vancouver.
- b) The Chair, with the assistance of the Lead Director (if there is one), CEO and the Chief Governance Officer, will be responsible for the agenda for each Board meeting.
- c) The Board encourages management to attend Board meetings, where appropriate, to provide additional insight to matters being considered by the Board.
- d) The Board should have an in-camera session without management present, including any management directors, as a regular feature of each Board meeting.
- e) The quorum necessary for the transaction of business of the directors may be set by the directors to a number not less than 50% of the directors in office, and if not so set, is deemed to be a majority of the directors in office.
- f) To the extent possible, Board materials will be made available in electronic format.

### **3.3 Election or Appointment of Directors**

The Board, following a recommendation by the Corporate Governance Committee, will:

- a) approve the management slate of nominees proposed for election at annual general meetings of the Company;
- b) approve candidates to fill any casual vacancy occurring on the Board; and
- c) fix the number of directors as permitted by the Company's charter documents.

### **3.4 Compensation and Share Ownership Requirement**

Appendix I – Director Compensation and Share Ownership Criteria lists the current levels of directors' compensation and the shareholdings required of directors of the Company.

### **3.5 Committees of the Board**

The Board will have the following committees and, after considering the recommendation of the Corporate Governance Committee, approve and/or modify their terms of reference:

- a) Audit Committee – Appendix E
- b) Corporate Governance Committee – Appendix F
- c) Human Resources and Compensation Committee – Appendix G
- d) Pension Committee – Appendix H

## **APPENDIX A – TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

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The Board may establish a new standing or ad hoc committee. Not less than a majority of the members of any new standing or ad hoc committee will be Independent Directors.

Each committee will report to the Board on its meetings and each member of the Board will have access to minutes of committee meetings, regardless of whether the director is a member of such committee. See Appendix D – Terms of Reference for Committees of the Board of Directors.

### **4. SELECTION OF MANAGEMENT**

- 4.1. In accordance with the Company's charter documents, the Board will appoint and replace the CEO of the Company and, after considering the recommendation of the Human Resources and Compensation Committee, approve the CEO's compensation.
- 4.2. Upon considering the advice of the CEO and the recommendation of the Human Resources and Compensation Committee, the Board will approve the appointment of all members of Executive Management (as defined in Appendix G – Terms of Reference for the Human Resources and Compensation Committee).
- 4.3. The Board is responsible for satisfying itself as to the integrity of the CEO and other senior management of the Company.
- 4.4. The Board is responsible for overseeing succession planning.

### **5. STRATEGY DETERMINATION**

- 5.1. The Board will:
  - a) annually consider and approve the Company's objectives and goals, its strategic plan to achieve those objectives and goals and approve any material changes thereto;
  - b) monitor and assess developments which may affect the Company's strategic plan;
  - c) evaluate and, as required, enhance the effectiveness of the strategic planning process; and
  - d) monitor the execution of the strategic plan by management and monitor corporate performance against the Company's objectives and goals.

### **6. MATERIAL TRANSACTIONS**

- 6.1 Subject to delegation by the Board to management and to committees of the Board, the Board will review and approve all material transactions and investments.

### **7. PUBLIC REPORTING**

- 7.1 The Board is responsible for:
  - a) reviewing and approving financial reporting to shareholders, other security holders and regulators on a timely and regular basis;
  - b) ensuring that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;

## **APPENDIX A – TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

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- c) reviewing and approving the policies and procedures in place for the timely disclosure of any other developments that have a significant and material impact on the Company;
- d) reporting annually to shareholders on its stewardship for the preceding year;
- e) reporting annually to shareholders on the key strategic objectives of the Company and how the Company's approach to executive compensation is designed to motivate management to achieve them; and
- f) providing for measures that promote engagement with, and feedback from shareholders.

### **8. RISK OVERSIGHT AND MANAGEMENT**

8.1 The Board is responsible for ensuring the identification of material risks to the Company's business and ensuring the implementation of appropriate systems and processes to identify, monitor and manage material risks. In discharging this duty, the Board will review and assess annually:

- a) the Company's risk management program, including risk tolerance and integrated enterprise risk assessment;
- b) the quality and adequacy of risk-related information provided to the Board by management, to make the Board aware (directly or through its committees) of the Company's material risks on a timely basis, and to provide the Board sufficient information and understanding to evaluate these risks, how they may affect the Company and how management addresses them; and
- c) the respective responsibilities of the Board, each Board committee and management for risk oversight and management of specific risks, to coordinate the risk oversight function through these bodies, and to adopt a shared understanding as to accountabilities and roles.

8.2 In addition to the specific risk oversight responsibilities the Board has allocated to its committees, the Board will review, on an annual or more frequent basis, as appropriate, those risks that are specifically allocated to the Board for review.

8.3 The Board is also responsible for the integrity of the Company's internal control, disclosure control and management information systems.

### **9. PROCEDURES AND POLICIES**

The Board will monitor compliance with all significant policies and procedures by which the Company is operated.

### **10. LEGAL REQUIREMENTS**

10.1 The Board will monitor compliance with all applicable laws and regulations.

**11. EVALUATION**

The Board will evaluate annually the effectiveness of the Board as a whole, individual directors, committees, the Lead Director (if there is one) and the Chair as provided in Appendix L - Board and Director Evaluation Process.