

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

### **1. PURPOSE**

- a) The members of the Board of Directors have the duty to supervise the management of the business and affairs of the Company. The Board, directly and through its committees and the Executive Chairman of the Board shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

### **2. MEMBERSHIP, ORGANIZATION AND MEETINGS**

- a) **General** — The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; residency requirements; quorum requirements; meeting procedures and notices of meetings are as established by the *Canada Business Corporations Act* and the by-laws of the Company.
- b) **Independence** — The Board shall establish independence standards for the directors in accordance with Applicable Requirements (as defined below), and, at least annually, shall affirmatively determine the independence of each director in accordance with these standards. A majority of the directors shall be independent in accordance with these standards.
- c) **Access to Management and Outside Advisors** — The Board shall have unrestricted access to the Company's management and employees. The Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation of these advisors without consulting or obtaining the approval of any Company officer. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.
- d) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.
- e) **Meetings Without Management** — The Board shall, at least twice per year, hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

### 3. FUNCTIONS AND RESPONSIBILITIES

The Board shall have the functions and responsibilities set out below. In addition to these functions and responsibilities, the Board shall perform such duties as may be required by the binding requirements of any stock exchanges on which the Company's securities are listed and all other applicable laws (collectively, the "Applicable Requirements").

#### a) Strategic Planning

- i. **Strategic Plans** — At least annually, the Board shall review and, if advisable, approve the Company's strategic planning process and short-term and long-term strategic plan prepared by management. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends and opportunities, the competitive environment, risk issues, and significant business practices and products.
- ii. **Business Plans** — The Board shall review and, if advisable, approve the Company's annual business plans.
- iii. **Monitoring** — At least annually, the Board shall review management's implementation of the Company's strategic and business plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

#### b) Risk Management

- i. **General** — The Board shall, with the assistance of the Audit Committee, review the factors identified by management in its annual and interim disclosures as principal risks that may affect the Company's business including those that may impact future financial results and review the strategies identified by management to manage these factors.
- ii. **Review of Controls** — The Board shall, with the assistance of the Audit Committee, review the internal, financial, non-financial and business control and information systems that have been established by management and review the standards of corporate conduct that management is applying to these controls.

#### c) Human Resource Management

- i. **General** — At least annually, the Board shall, with the assistance of the Compensation Committee, review the Company's approach to human resource management and executive compensation.

- ii. **Succession Review** — At least annually, the Board shall review the Executive Chairman of the Board, the Chief Executive Officer and the senior management succession plans of the Company.
- iii. **Integrity of Senior Management** — The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other senior management, and that these executive officers create a culture of integrity throughout the Company.

#### d) Corporate Governance

- i. **General** — On the recommendation of the Corporate Governance and Nominating Committee (“Nominating Committee”), the Board shall review the Company’s approach to corporate governance.
- ii. **Governing Documents Review** — At least annually, the Board shall review and assess the adequacy of the Company’s organizing documents and by-laws, and on the recommendation of the Nominating Committee, the mandate, charters, and the role descriptions for the Board, each Board committee, the Chief Executive Officer and the Executive Chairman of the Board (“the Governing Documents”) to determine if amendment is advisable, and if so, approve amendments to the Governing Documents.
- iii. **Performance assessment** — At least annually, the Board shall evaluate the performance of the Board, the individual directors, each Board committee and the Executive Chairman of the Board against their respective mandates and any other criteria the Board, on the recommendation of the Nominating Committee, considers appropriate.
- iv. **Director Independence** — At least annually, the Board, with the assistance of the Nominating Committee, shall evaluate the director independence standards established by the Board and the Board’s ability to act independently from management in fulfilling its duties.
- v. **Governance disclosure** — The Board shall , with the assistance of the Nominating Committee, prepare, in conjunction with management, corporate governance disclosure for the Company’s annual reports and management information circulars.
- vi. **Ethics Reporting** — At least annually, the Board, with the assistance of the Nominating Committee, shall review reports provided by management relating to compliance with, or material deficiencies of, the Company’s Code of Business Conduct.

#### e) Financial Information

- i. **General** — At least annually, the Board shall, with the assistance of the Audit Committee, review the Company's internal controls relating to financial information and reports provided by management on material deficiencies in, or material changes to, these controls.
- ii. **Integrity of Financial Information** — The Board shall, with the assistance of the Audit Committee, review the integrity of the Company's financial information and systems, the effectiveness of internal controls and management's assertions on internal control and disclosure control procedures.

#### f) Communications

- i. **General** — At least annually, the Board in conjunction with the Chief Executive Officer shall review the Company's overall communications strategy, including measures for receiving feedback from the Company's shareholders.
- ii. **Disclosure** — At least annually, the Board shall review management's compliance with the Company's disclosure policies and procedures and Internal Control over Financial Reporting. The Board shall, if advisable, approve material changes to the Company's disclosure policies and procedures.

#### g) Committees of the Board

- i. **Board Committees** — The Board has established the Compensation Committee, the Audit Committee and the Nominating Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.
- ii. **Committee Mandates** — The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed, and, based on recommendations of the Executive Chairman of the Board, approved by the Board.
- iii. **Delegation to Committees** — The Board has delegated for approval or review the matters set out in each Board committee's mandate to that committee.
- iv. **Consideration of Committee Recommendations** — As required, the Board shall consider for approval the specific matters delegated for review to Board committees.

- v. **Board/Committee Communication** — To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after each meeting of the committee.

#### **4. DIRECTOR ORIENTATION AND EVALUATION**

- a) Each new director shall participate in the Company's initial and any ongoing orientation program and continuing education program.
- b) At least annually, the Board shall evaluate and review the performance of the Board, each of its committees, each of the directors and the adequacy of this mandate.

#### **5. CURRENCY OF THE BOARD MANDATE**

This mandate was last reviewed and approved by the Audit Committee and Board of Directors of Tecsys Inc. on June 29, 2021.