

**SUNNIVA INC.**

**MANDATE OF THE BOARD OF DIRECTORS**

**A. STEWARDSHIP**

1. Subject to the constating documents of the Sunniva Inc. (the “**Corporation**”) and applicable law, the board of directors of the Corporation (the “**Board**”) has a stewardship responsibility to:
  - (a) supervise the management of and to oversee the conduct of the business of the Corporation;
  - (b) provide leadership and direction to management;
  - (c) evaluate management;
  - (d) set policies appropriate for the business of the Corporation;
  - (e) approve corporate strategies and goals; and
  - (f) nominate directors.
2. The day to day management of the business and affairs of the Corporation is delegated by the Board to the Chief Executive Officer (the “**CEO**”). The Board will give direction and guidance through the CEO to management and the CEO will keep management informed of the Board’s evaluation of the executive officers in achieving and complying with established goals and policies.

**B. DIRECTOR OBLIGATIONS**

Each director has the responsibility to:

1. attend all regularly scheduled meetings of the Board and all of the committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
2. act honestly and in good faith with a view to the best interests of the Corporation; and
3. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## **C. BOARD RESPONSIBILITIES**

1. The Board shall:
  - (a) before each annual general meeting, recommend nominees to the shareholders for election as directors for the ensuing year;
  - (b) identify, review the qualifications of and approve candidates to fill vacancies on the Board between annual general meetings;
  - (c) appoint a corporate governance and nominating committee, an audit committee and a compensation committee and appoint the Chair of each committee;
  - (d) establish the mandate, duties and responsibilities of each committee of the Board;
  - (e) elect a Chair of the Board and, when desirable, a vice-chair of the Board, and establish their duties and responsibilities;
  - (f) where it is not appropriate for the Chair to be an independent director, the Board should consider whether it should appoint an independent director to act as a lead director;
  - (g) appoint the CEO of the Corporation, who shall be a member of the Board, and establish the duties and responsibilities of the CEO; and
  - (h) on the recommendation of the CEO, appoint the senior officers of the Corporation and approve the senior management structure of the Corporation.
2. A principal responsibility of the Chair of the Board will be to manage, and act as the chief administrative officer of, the Board with such duties and responsibilities as the Board may establish from time to time.

## **D. BOARD MEETINGS**

The Board shall meet in person, or by telephone conference call (or by other means permitted by applicable laws) as required to carry out its mandate not less than four times during each year and will endeavour to hold one meeting in each quarter. The Board will also meet at any other time at the call of the Chair of the Board or, subject to the Articles of the Corporation and applicable law, the CEO or any director.

## E. SPECIFIC RESPONSIBILITIES

1. The Board has the following specific duties and responsibilities:
  - (a) approve, supervise and provide guidance on the strategic planning process of the Corporation. The CEO and senior management team will have direct responsibility for the ongoing strategic planning process and the establishment of long term goals for the Corporation, which are to be reviewed and approved by the Board. The Board will provide guidance to the CEO and senior management team on the Corporation's ongoing strategic plan. Based on the reports from the CEO, the Board will monitor the success of management in implementing the approved strategies and goals;
  - (b) identify the principal risks of the Corporation's business and use reasonable steps to ensure the implementation of appropriate systems to manage these risks;
  - (c) use reasonable steps to ensure the Corporation has management of the highest calibre. This responsibility is carried out primarily through the appointment of the CEO as the Corporation's business leader. The Board will assess, on an ongoing basis, the CEO's performance against criteria and objectives established by the Board from time to time. The Board will also use reasonable steps to ensure that the CEO has in place adequate programs to train, develop and assess the performance of senior management;
  - (d) keep in place adequate and effective succession plans for the CEO and senior management;
  - (e) place limits on management's authority;
  - (f) oversee the integrity of the Corporation's internal control and management information systems;
  - (g) oversee the Corporation's communications policy. The Board will monitor the policies and procedures that are in place to provide for effective communication by the Corporation with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the Board. The Board will also monitor the policies and procedures that are in place to maintain a strong, cohesive and positive image of the Corporation with its shareholders, its industry, governments and the public generally;

- (h) require that the Board be kept informed of the Corporation's activities and performance and take appropriate action to correct inadequate performance;
- (i) approve all significant capital plans and establish priorities for the allocation of funds to ongoing operations and capital projects;
- (j) approve all single expenditure items proposed by the Corporation exceeding \$250,000 not provided for in any approved capital plan;
- (k) provide for the independent functioning of the Board. The Board will put in place appropriate procedures to enable the Board to function independently of management at such times as is desirable or necessary through:
  - (i) the institution of mechanisms to allow directors who are independent of management an opportunity to discuss issues in the absence of management; and
  - (ii) the engagement of outside advisers by directors at the Corporation's expense subject to the approval of the Corporate Governance and Nominating Committee.
- (l) adopt a formal code of business ethics that governs the behaviour of its directors, officers and employees. The Board will monitor compliance with the code of business conduct and ethics and is responsible for granting any waivers;
- (m) develop the Corporation's approach to corporate governance including adopting a set of principles and guidelines specifically applicable to the Corporation; and
- (n) nominate directors.

## **F. LIMITATION**

1. The duties and responsibilities set out above do not extend, and are not to be interpreted as extending, the obligations and liabilities of the directors beyond those imposed by applicable law and in each case are subject to the constating documents of the Corporation and applicable law.

**G. DUTIES AND RESPONSIBILITIES OF THE CHAIR OF THE BOARD OF DIRECTORS**

The Chair of the Board shall manage, and act as chief administrative officer of, the Board with the following specific duties and responsibilities:

1. act as the chair, unless absent, at all meetings of the shareholders and the Board;
2. act as the spokesperson for the Board;
3. review the agenda for each meeting of the Board;
4. ensure the Board is organized properly, functions effectively and assist the Board in the discharge of its mandate and responsibilities;
5. work with the CEO to ensure effective relations with Board members, shareholders, other stakeholders and the public; and
6. approve and sign on behalf of the Board all communications and reports from the Board to the shareholders.

Such other duties and responsibilities as may be determined by the Board.

Limitation

The duties and responsibilities set out above do not extend, and are not to be interpreted as extending, the obligations and liabilities of the Chair of the Board beyond those imposed by applicable law and in each case are subject to the constating documents of the Corporation and applicable law.

**H. DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER**

1. The CEO shall manage, and administer the day to day operation of the Corporation with the following specific duties and responsibilities:
  - (a) report to the Board and act as a liaison between management and the board;
  - (b) evaluate management operations and report to the Board on results;
  - (c) conduct ongoing strategic planning and establish long term goals for the Corporation;
  - (d) assist the Board with policy development; and

- (e) train, develop and assess the performance of senior management.
- 2. The CEO is responsible for meeting the corporate objectives of the Corporation as are periodically developed by the Board in consultation with management.
- 3. Such other duties and responsibilities as may be determined by the Board.

Limitation

The duties and responsibilities set out above do not extend, and are not to be interpreted as extending, the obligations and liabilities of the CEO beyond those imposed by applicable law and in each case are subject to the constating documents of the Corporation and applicable law.

Approved by the Board effective August 30, 2017