

# MOSAID TECHNOLOGIES INCORPORATED

## BOARD OF DIRECTORS

### MANDATE

#### Appointment

Directors of MOSAID Technologies Incorporated (“**MOSAID**”) are elected annually by MOSAID’s shareholders and, together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute MOSAID’s Board of Directors (the “**Board**”). The Board subsequently elects a Chairperson of the Board (the “**Chairperson**”) who is not a member of MOSAID’s management. At all times, a majority of the Board and its committees are comprised of directors who are “independent.”

#### Purpose and Responsibilities

In addition to the duties of directors of a Canadian corporation as prescribed by statute, the Board is responsible for the stewardship of MOSAID, overseeing its operations and supervising MOSAID’s management (“**Management**”), which is responsible for the day-to-day conduct of the business.

Specifically, the Board shall:

- (a) set standards for MOSAID in terms of moral and ethical norms, as well as interpersonal relationships and corporate social responsibility;
- (b) satisfy itself, to the extent feasible, as to the integrity of the Chief Executive Officer (the “**CEO**”) and other senior executives (the “**Senior Executives**”) and that the CEO and other Senior Executives create a culture of integrity throughout MOSAID;
- (c) monitor compliance with MOSAID’s Code of Business Conduct and Ethics (the “**Code**”) and, as appropriate, grant any waivers to the Code;
- (d) appoint/terminate the CEO pursuant to the recommendations of the Human Resources Committee;
- (e) be responsible for succession planning for the CEO and the other Senior Executives pursuant to the recommendations of the Human Resources Committee;
- (f) approve the compensation plan, as well as the compensation to be paid pursuant to the discretionary portion of the senior management compensation plan for the CEO and the other Senior Executives annually, and any special bonuses to be paid to such individuals pursuant to the recommendations of the Human Resources Committee;

- (g) review and approve equity based plans, any related agreements or amendments to such plans (the “**Plans**”) and any awards under such Plans pursuant to the recommendations of the Human Resources Committee;
- (h) review and approve the corporate compensation plan, significant employee benefit programs and any material changes to such plans and programs pursuant to the recommendations of the Human Resources Committee;
- (i) oversee all matters relating to the legal, regulatory and financial integrity of MOSAID;
- (j) interface, as required, with MOSAID’s external auditors;
- (k) recommend to shareholders, pursuant to the recommendation of the Audit Committee, the appointment of auditors and approve auditor compensation once authorised by shareholders;
- (l) adopt, and annually review, pursuant to the recommendation of the Corporate Governance and Nominating Committee, a system of corporate governance policies and practices;
- (m) approve the corporate communications policy and Trading Securities Policy, and oversee their effective implementation, with primary emphasis on non-selective disclosure and communication with shareholders;
- (n) review and approve major organizational changes and significant new human resource policies/programs or material changes to existing human resource polices/programs;
- (o) set up measures for receiving feedback from MOSAID’s shareholders;
- (p) be responsible for the implementation of systems designed to ensure the protection and advancement of shareholder value;
- (q) identify the principal risks of MOSAID’s business and ensure the implementation of appropriate systems to monitor and manage those risks;
- (r) oversee MOSAID’s internal control and management information systems;
- (s) adopt a strategic planning process and approve, on an annual basis, a strategic plan which takes into account the opportunities and risks of the business;
- (t) approve the annual operating plan;
- (u) approve MOSAID’s quarterly and annual financial results and MD&A, management proxy circulars and their publication;

- (v) approve MOSAID's dividend policy and any dividend payments;
- (w) approve significant business expansions, alliances, joint ventures, mergers and acquisitions;
- (x) set expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of Board meeting materials;
- (y) appoint the Chairperson of the Board annually or as otherwise required;
- (z) consider, annually, which individuals should be nominated to the Board, based on the advice of the Corporate Governance and Nominating Committee;
- (aa) monitor the effectiveness and contribution of the Board, its committees and individual directors;
- (bb) approve the Board's compensation plan and the compensation of individual directors, pursuant to the recommendation of the Human Resources Committee, and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director; and
- (cc) annually review the Board Mandate and any other documents used by the Board in fulfilling its responsibilities.

### Committees

MOSAID's current committee structure includes the following committees: Audit; Corporate Governance and Nominating; Human Resources and Special. The mandates of each standing committee are reviewed periodically by the Corporate Governance and Nominating Committee with a view to delegating to committees the authority of the Board concerning specified matters appropriate to such committees. The members of each committee, and from amongst each such committee's members, the chairperson of each committee, are appointed by the Board annually. The CEO, Chief Financial Officer (the "CFO"), General Counsel (the "GC") and any other employee shall attend committee meetings upon the respective committee's request and, subject to a committee requesting otherwise, the Corporate Secretary, or his designee, shall act as secretary at all committee meetings.

### Qualifications and Procedures

At least twenty-five percent of the directors shall be "resident Canadians" as defined by the *Canada Business Corporations Act*.

The independent directors shall meet at regularly scheduled sessions at least quarterly without Management present. A majority of the Board shall constitute quorum. The CEO, CFO, GC and any other employee shall attend Board meetings upon the Board's request and, subject to the Board requesting otherwise, the Corporate Secretary, or his designee, shall act as secretary at all Board meetings.

The Board shall have unrestricted access to MOSAID personnel and, subject to any applicable confidentiality requirements and/or privacy laws, documents, and shall be provided with the resources necessary to carry out its duties. The Board may retain such outside consultants and advisors (at MOSAID's expense), as it deems necessary from time to time to fulfill its duties and responsibilities.

### Individual Directors

The Board is made up of directors from diverse professional and personal backgrounds with both a broad spectrum of experience and expertise, and a reputation for business acumen and integrity. Potential new directors are assessed on their individual qualifications in the context of the needs of the Board. Individual directors are also expected to:

- prepare for each Board and committee meeting;
- maintain a satisfactory Board and committee meeting attendance record of no less than 75% in the aggregate, subject to recusal by the Board or relevant committee;
- participate fully and frankly in Board deliberations and discussions;
- demonstrate a willingness to listen to others' opinions and consider them;
- be willing to raise tough questions in a manner that encourages open discussion;
- establish an effective, independent and respected presence on the Board and a collegial relationship with other directors;
- focus inquiries on issues related to strategy, policy and results rather than day-to-day issues of corporate management;
- think, speak and act independently;
- be willing to risk rapport with the Chairperson and other directors in taking a reasoned, independent position;
- participate on committees and become knowledgeable about the duties, purpose and goals of each committee;
- become knowledgeable about MOSAID's business and the industry in which it operates;
- participate in director orientation and development programs;
- maintain a current understanding of the regulatory, legislative, business, social and political environments in which MOSAID operates;
- become acquainted with MOSAID's senior executives; and
- visit MOSAID's offices when appropriate.