

# **MANDATE OF THE BOARD OF DIRECTORS**

## **Of**

### **Lassonde Industries Inc.**

The Board of Directors (the “Board”) is responsible for overseeing management of the business and affairs of the Corporation so as to favour its long-term interests (notably by increasing its profitability), as well as the interests of its various stakeholders (shareholders, employees, clients, suppliers and the wider community).

The Board discharges its responsibilities either directly or through its committees. The Board shall not be responsible for the day-to-day management and operations of the Corporation, as this responsibility is incumbent on management. However, the Board is tasked with overseeing management as part of its mandate to manage the Corporation.

The Board has established three standing committees: the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee. The specific mandates attributed to these committees are set out in their respective charter; they have the power to make recommendations to the Board on issues relating to their area of expertise. This delegation to the committees does not relieve the Board of its responsibilities. Consequently, some of the measures and obligations of the Board described below are or will in fact be established or assumed by the Board committees without lessening the Board’s responsibility in that regard.

Most of the guidelines relating to the Board’s mandate suggested in *Policy Statement 58-201 to Corporate Governance Guidelines* (“Policy Statement 58-201”) were adopted by the Board and are incorporated herein.

In exercising their powers and discharging their duties, the directors shall act honestly and in good faith with a view to the best interests of the Corporation, and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### **1. Composition and Quorum**

According to the articles of the Corporation, the Board shall consist of no less than three and no more than eleven members. The number of directors in office at a given time shall be established from time to time within this range by the Board. The quorum at any Board meeting shall be a majority of the directors in office.

#### **2. Frequency of Meetings**

The Board shall meet at least five times a year and more often if necessary.

#### **3. Mandate**

In addition to the responsibilities explicitly provided for in the *Canada Business Corporations Act*, the other applicable rules, laws or regulations and the by-laws of the Corporation, the Board’s responsibilities shall include the following:

##### **Strategy and Operation**

- a. Approving the long-term strategic plans and revising them annually while taking the Corporation’s business opportunities and risks into account;
- b. Revising and approving the Corporation’s financial objectives, business plans and annual operating and capital expenditure budgets;
- c. Reviewing the Corporation’s performance in terms of its strategic plans, budgets and other financial objectives;
- d. Establishing a dividend policy for the Corporation and approving the payment of dividends, where applicable;
- e. Overseeing the implementation of processes to manage risks and opportunities of the business;
- f. Approving transactions falling outside the ordinary course of business, including proposals on acquisitions and major investments or divestitures; and
- g. Approving, before their publication, the Corporation’s interim and annual financial statements, MD&A, annual information form, press releases concerning interim and annual results and any other material continuous disclosure documents the publication of which is required under the applicable regulations.

## **Finance and Control**

- a. Ensuring that the Corporation is managed in such a manner as to preserve its financial integrity, in accordance with the policies approved by the Board and the applicable laws and regulations;
- b. Monitoring oversight of the integrity and quality of the Corporation's accounting and financial reporting process, disclosure controls and procedures, and systems of internal control over financial information;
- c. Monitoring the external auditor's independence and qualifications, recommending the auditor's appointment to the shareholders and approving its fees; and
- d. Overseeing the performance of the Corporation's internal audit functions.

## **Human Resources**

- a. Satisfying itself as to the integrity of the Chief Executive Officer and other senior executive officers and ensuring that they foster a culture of integrity and human resource development throughout the Corporation;
- b. On the recommendation of the Human Resources and Compensation Committee, appointing the Chief Executive Officer as well as the President and Chief Operating Officer, and approving the appointment of the other senior executive officers of the Corporation;
- c. Approving the annual objectives of the Chief Executive Officer as well as the President and Chief Operating Officer and comparing the progress made against those objectives;
- d. Assessing the performance of the Corporation's senior executive officers and approving their short- and long-term compensation, taking the set objectives into consideration; and
- e. Overseeing the succession planning process for management, especially for senior executive officers.

## **Corporate Governance**

- a. Monitoring the size and composition of the Board and its committees based on the competencies, skills and personal qualities of its current members and those sought in Board members;
- b. Not favouring for election to the Board individuals who serve on more than two other boards of public corporations or two or more directors serving together on the board of another public corporation except with the approval of the Corporate Governance Committee;
- c. Establishing the Corporation's corporate governance approach and practices, notably in light of the guidelines set forth in Policy Statement 58-201;
- d. Establishing an approach for identifying which decisions require the Board's approval and which fall within management's decision-making power;
- e. Allowing the independent directors to hold meetings without the non-independent directors;
- f. Overseeing the adoption or maintenance of a code of business conduct and ethics for the Corporation containing provisions on the issues addressed in section 3.8 of Policy Statement 58-201<sup>1</sup> and such other policies as may be deemed necessary or useful, including any update thereto that may be required;
- g. Approving any waiver from compliance, by a director or officer, with the code of business conduct and ethics or any policy of the Corporation;
- h. Overseeing the periodical performance assessment of the Board and its committees;
- i. Adopting and reviewing the orientation and continuing education programs for directors;

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<sup>1</sup> The issues provided for in section 3.8 of Policy Statement 58-201 are: conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, fair dealing with stakeholders, compliance with laws, rules and regulations, and reporting of any illegal or unethical behaviour.

- j. Overseeing the succession planning process for the Board and its committee;
- k. Approving the list of Board nominees for election by the shareholders;
- l. Periodically reviewing the mandate of the Board and the charters of the various Board committees;
- m. Appointing the Board's chair, the members of the committees and the chair of each committee;
- n. Ensuring that the compensation of directors is fair and adequate so as to attract and retain highly qualified directors;
- o. Ensuring that the directors have sufficient time to review the documents prepared for each meeting of the Board and its committees; and
- p. Ensuring that an *in camera* session without the presence of management is held at the end of each Board meeting or at any other time the Board chair may deem appropriate.

**Environment and Corporate Social Responsibility**

- a. Reviewing the Corporation's sustainable development and climate change reports and initiatives;
- b. Reviewing the Corporation's corporate social responsibility policies and practices; and
- c. Adopting a framework for Environmental, Social and Corporate Governance (ESG) practices and supervising the ESG strategy's alignment with the Corporation's overall strategy.