

# **SUPERIOR PLUS CORP.**

## **BOARD OF DIRECTORS MANDATE**

### **A. Purpose and Role**

The Board of Directors (the “Board”) of Superior Plus Corp. (the “Corporation”) has the duty to oversee the management of the business and affairs of the Corporation. In discharging its duties and responsibilities and under applicable law, the Board is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In discharging its duties and responsibilities, the board shall act in accordance with applicable law, including the provisions of the *Canada Business Corporations Act*.

The Board explicitly assumes the responsibility for the stewardship of the Corporation. The role of the Board is one of stewardship and oversight of the management of the Corporation. The Corporation has officers and employees responsible for the day to day management and conduct of the business of the Corporation and the implementation of the strategic plan approved by the Board. The Board seeks to ensure that the Corporation conducts its business with honesty and integrity, with a view of creating sustainable and long-term value and profitable growth.

### **B. Responsibilities**

The Board’s responsibilities shall include:

- a. to the extent feasible, satisfying itself of the integrity of the Chief Executive Officer (the “CEO”) and that the CEO and management create a culture of integrity throughout the Corporation and its subsidiaries and affiliates;
- b. the establishment of an appropriate system of corporate governance, including practices to ensure that the Board functions independently of management;
- c. the adoption of a strategic planning process, the review and approval of a strategic plan which takes into account, among other things, the nature of the Corporation and the opportunities and risks associated with the business of the Corporation and the businesses of its subsidiaries, and the annual monitoring, review, and updating of the strategic plan;
- d. the identification of the principal business risk of the Corporation and the implementation of appropriate systems to manage these risks;
- e. the oversight of the human resources and compensation matters of the Corporation;
- f. the selection, appointment, evaluation and, if necessary, termination of the CEO;

- g. succession planning, including appointing, counselling and monitoring the performance of executive officers;
- h. having regard to the advice and input of the Compensation Committee, the annual review of the executive compensation disclosure of the Corporation in its information circular, and be satisfied that the overall compensation philosophy and policy for senior officers is adequately disclosed and describes in sufficient detail the rationale for salary levels, incentive payments, stock grants, stock options, pensions and all other components of executive compensation;
- i. having regard to the advice and input of the Audit Committee, the oversight of compliance with applicable audit, accounting and reporting requirements and the approval of annual operating and capital budgets;
- j. having regard to the advice and input of the Audit Committee, the review and being satisfied that appropriate controls are in place with respect to applicable certification requirements regarding the Corporation's financial and other disclosure;
- k. having regard to the advice and input of the Audit Committee, the review and being satisfied with the integrity of the Corporation's internal control and management information systems;
- l. having regard to the advice and input of the Audit Committee, the designation of nominees for appointment or re-appointment as external auditors of the Corporation, the final decision with respect thereto to be made by the shareholders of the Corporation;
- m. the development of measures for receiving feedback from shareholders and other stakeholders;
- n. having regard to the advice and input of the Compensation Committee, establishing the level and form of compensation for the Board and Committee members;
- o. having regard to the advice and input of the Governance and Nominating Committee, the adoption and annual review of the Corporation's corporate communications and disclosure policy which, among other matters, (i) promotes consistent disclosure practices aimed at accurate, informative, timely and broadly disseminated disclosure of material information to the markets, (ii) addresses how the Corporation interacts with analysts and the public, and (iii) contains measures to avoid selective disclosure;
- p. having regard to the advice and input of the Governance and Nominating Committee, the adoption of a Code of Business Conduct and Ethics (the "Code") for directors, officers, and employees of the Corporation and its subsidiaries and affiliates;

- q. having regard to the advice and input of the Health, Safety and Environment Committee, the oversight of the Corporation's compliance with health, safety and environmental practices, policies and applicable laws and in relation to the development and implementation of systems, programs and initiatives to manage health, safety, security and environmental risk;
- r. decisions with regard to:
  - 1. acquisitions and divestitures in excess of the approved budgetary amounts set forth in Section G below;
  - 2. debt or equity financings of the Corporation, and the payment of any commissions and fees in connection thereto;
  - 3. establishing and amending the policies of the Corporation for distributing and loaning funds and establishing a dividend policy, if appropriate;
  - 4. filling a vacancy among the directors or appointing additional directors;
  - 5. appointments or removals of senior officers;
  - 6. submitting to the shareholders of the Corporation, as applicable, any question or matter requiring their respective approval;
  - 7. issuing securities and purchasing, redeeming, or otherwise acquiring securities issued by the Corporation and Superior Plus LP;
  - 8. approving the annual audited financial statements and related management discussion and analysis, and the interim unaudited financial statements and related management discussion and analysis, management proxy circulars, takeover bid circulars, directors' circulars, prospectuses, annual information forms and other disclosure documents required to be approved by the directors of the Corporation under securities law, regulations or rules of any applicable stock exchange; and
  - 9. adopting, amending or repealing the by-laws of the Corporation.

In the event that the external auditors (or former external auditors) of the Corporation inform the Board of what the external auditors consider to be a material error or misstatement in a financial statement of the Corporation that the external auditor (or former external auditor) has reported on, the Board shall be satisfied that either revised financial statements are prepared and issued to the shareholders of the Corporation or that the shareholders of the Corporation are otherwise informed of such error or misstatement; and

In the event that a director of the Corporation becomes aware of any error or misstatement in a financial statement of the Corporation that the external auditor (or a former external auditor) has reported on, such director shall notify the Audit Committee and the external auditor of any such error or misstatement.

### **C. Composition and Effectiveness of the Board**

The Board shall:

- a. consist of not less than seven and not more than fifteen directors, at least one-quarter of whom are resident Canadians (as defined in the *Canada Business Corporations Act*) and at least a majority of whom are independent, as defined under applicable securities laws, rules and guidelines;
- b. having regard to the advice and input of the Governance and Nominating Committee, approve the number of directors to be elected and the nominees for election by the shareholders of the Corporation;
- c. having regard to the advice and input of the Governance and Nominating Committee, be satisfied that all new directors receive a comprehensive orientation and that appropriate continuing education opportunities are provided for all directors; and
- d. consider the report of the Governance and Nominating Committee with respect to the evaluation and effectiveness of the Board, its members and its committees and their members.

### **D. Board Committees**

The Board shall have the following standing committees:

- a. Audit Committee;
- b. Compensation Committee;
- c. Governance and Nominating Committee; and
- d. Health, Safety and Environment Committee.

The composition and responsibilities of these committees shall be as set forth in the mandates for these committees as prescribed from time to time by the Board, which mandates shall be reviewed annually by the Board. The Board may constitute additional standing committees or special committees with special mandates as may be required or appropriate from time to time.

At each meeting of the Board, committees of the Board shall report any recent developments or activities undertaken by the respective committees.

Appointment of members to standing committees shall be the responsibility of the Board, having received the recommendation of the Governance and Nominating Committee. In this regard, consideration will be given to rotating committee members from time to time and to the special skills of particular directors. Committee chairs will be selected by the Board or, in the event of its failure to do so, by the Committee's members. At the

recommendation of the Governance and Nomination Committee, the Board shall regularly review the position descriptions for the chair of each committee.

In discharging his or her obligations, an individual director may engage outside advisors, at the expense of the Corporation, in appropriate circumstances and subject to the approval of the Governance and Nominating Committee. In addition, any committee of the Board has the authority to engage outside advisors without prior approval of the Governance and Nominating Committee.

#### **E. Chair of the Board**

The Board shall be responsible for the selection of a Chair of the Board following receipt of the recommendation of the Governance and Nominating Committee. At the recommendation of the Governance and Nominating Committee, the Board shall regularly review the position description for the Chair of the Board.

#### **F. Board Meetings**

Information and data that is important to the Board's understanding of the businesses of the Corporation should be distributed to and reviewed by the Board on a timely basis in advance of the meetings. Management should make every attempt to see that this material is as brief as possible while still providing the information relevant to proposed Board discussion. Care should be taken to ensure that the Board is not called upon too late in the decision making process.

As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has arising from the material.

Senior management should be invited to attend the Board meetings as appropriate to expose the directors to key members of management to each other and to provide additional insight into the items being considered by the Board.

The Board shall hold an *in camera* session of the directors, without non-independent directors and management members or representatives present, at every Board meeting.

#### **G. CEO and Management Authority Limits**

Management is authorized to incur costs and expenses within approved budgets and forecasts. The CEO may approve acquisitions and divestitures up to \$20 million or within approved budgetary amounts. The CEO may approve any contract (for sales or expenditures) where pricing is market based for up to 5 years and \$100 million or for fixed price contracts for up to 1 year and \$100 million. Any discretionary capital expenditures require the approval of the CEO and any such discretionary capital expenditures in excess of \$20 million, on a cumulative basis between Board Meetings, shall require prior Board approval. The CEO may delegate this approval authority. The Board shall be informed of any discretionary capital expenditures in excess of \$500,000 approved since the previous Board meeting. Any discretionary capital expenditures approved by the Board shall no

longer form part of the \$20 million cumulative amount. The CEO may approve new borrowing facilities up to \$25 million.

#### **H. Shareholder Communication**

Any shareholder may contact the Board by e-mail or in writing to the Board c/o the Corporate Secretary or acting Corporate Secretary. Matters relating to the Corporation's or the Corporation's accounting, internal accounting controls or auditing matters will be referred to the Audit Committee. Other matters will be referred to the Chair of the Board. Shareholders may also directly contact the Chair of the Board.

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