



## COLABOR GROUP INC.

### CHARTER OF THE BOARD OF DIRECTORS

#### 1. Purposes

This Charter prescribes the role of the Board of Directors of Colabor Group Inc. This Charter is subject to the provisions of Colabor Group's Articles and By-Laws and to applicable laws.

Group Colabor's business is conducted by its employees, managers and officers, under the direction of the CEO and the oversight of the Board of Directors, to enhance the long-term value of the company for its shareholders and other stakeholders. The Board is elected by the shareholders to oversee management and to act in the best interests of Colabor Group as a whole. Both the Board and the management recognize that the long-term interests of Colabor Group and its stakeholders are advanced by responsibly addressing the concerns of the various stakeholders and interested parties, including employees, customers, suppliers, investors, consultants, recruits and the end customer.

The Board may delegate certain of its authority and responsibilities to the Board's committees. Nonetheless, the Board will retain full effective control over the business of Colabor Group.

The Board' mandate set out in this document does not limit the scope of any right or power conferred on Colabor Group or on its Directors.

#### 2. Interpretation

“**Board of Directors**” or “**Board**” means the Board of Directors of Colabor Group Inc.

“**Chairman**” means the Chairman of the Board.

“**Colabor Group**” means, collectively, Colabor Group Inc. and its subsidiaries and affiliates.

“**Conflict of Interest**” means, (i) an actual conflict of interest refers to a situation where a director exercises a power or performs a duty or responsibility, and in doing so, there is the opportunity to further his or her private interest(s), (ii) a potential conflict of interest refers to a situation where a private interest of a director could influence the exercise of the director's power or performance of his or her duties or responsibilities, or (iii) a perceived conflict of interest refers to a situation where informed people might reasonably hold the apprehension that a conflict of interest exists on the part of the director in relation to a private interest. A perceived conflict of interest is determined by the perception of "a reasonable person" (a hypothetical member of the public) who is "reasonably well-informed".

**“Director”** means a member of the Board of Directors of Colabor Group duly nominated as member of the Board.

**“Executive Officer”** means a Colabor Group’s CEO, president, principal executive officer, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of Colabor Group in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for a company. Officers of a Corporation’s subsidiaries shall be deemed officers of the Corporation if they perform such policy-making functions for Colabor Group.

**“Financially Literate”** means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of Colabor Group.

**“Independent Director”** means a director who has no direct or indirect relationship with Colabor Group, which could be reasonably expected to interfere with the exercise of an independent judgment regarding the best interest of Colabor Group. Save exceptions, is not an Independent Director the person who:

- (a) is or has been within the last three years, an employee or Executive Officer of Colabor Group;
- (b) is a member of the immediate family of an individual who is or has been, within the last three years, an Executive Officer of Colabor Group;
- (c) is or has been (or whose immediate family member is or has been), within the last three years, an Executive Officer, a partner or an employee of a material service provider of Colabor Group (including the external auditors);
- (d) is or has been (or whose immediate family member is or has been), within the last three years, an Executive Officer of an entity if any of the current Executive Officers of Colabor Group serves or served at the same time on the entity’s compensation committee;
- (e) has a relationship with Colabor Group under which he or she may directly or indirectly accept any consulting, advisory or other fees from Colabor Group, except for any compensation as a member of the Board or as a member of a committee of the Board of Colabor Group;
- (f) received (or whose immediate family member received) more than \$75,000 in direct compensation from Colabor Group during any 12-month period within the last three years; or
- (g) is a natural person who controls Colabor Group;

- (h) is an affiliate of Colabor Group; or
- (i) is a natural person who is both a director and an employee of Colabor Group.

**3. Composition**

- 3.1 The majority of the Board shall be comprised of Independent Directors. The determination of the independence of a Director based on the circumstances of each individual Director is the responsibility of the Board which will disclose on an annual basis the number of Independent Directors as well as the basis for its analysis. The Board will also disclose which Directors are not Independent Directors and provide a description of the business, family, direct or indirect shareholding and any other material relationship between each director and Colabor Group.
- 3.2 Colabor Group requires Directors to be and remain free of any Conflict of Interests or any conflictual relationships and to refrain from acting in ways which are actually or potentially harmful, conflictual or detrimental to Colabor Group's best interests.
- 3.3 The Board shall appoint on annual basis the Chairman chosen among the Independent Directors and provide a written mandate to such Chairman. The Chairman provides leadership to Colabor Group's activities and directions.
- 3.4 Each individual Director of Colabor Group shall comply with the Code of Ethics and the Corporate Governance Guidelines stated in the Corporate Governance Committee Charter ("Code and Charter") with respect to Conflict of Interests and corporate governance, adopted and amended from time to time by Colabor Group. The Board monitors compliance with such Code and Charter and is responsible for the granting of any waivers from compliance with the Code and Charter.
- 3.5 The Directors must perform the roles and functions described in the charter of the Board and those of the Committees on which they serve. They must devote sufficient time and resources to carry out their duties and responsibilities effectively. They must make every effort to attend each meeting of the Board and all Committees on which they serve, and they must review all materials distributed to them in advance of each such meeting. In discharging responsibilities as a director, a Director is entitled to rely in good faith on reports or other information provided by Colabor Group's management, independent auditors, and other persons as to matters the Director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of Colabor Group. Attendance by telephone, electronic or other communication means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously may be used to facilitate a Director's attendance. Directors must

comply with all applicable laws, requirements and rules of any stock exchange on which Colabor Group's securities are listed for trading.

- 3.6 The Board, on the recommendation of the Corporate Governance Committee, shall evaluate its size and composition so that it can facilitate effective decision-making. The Board has the ability to increase or decrease its size.
- 3.7 The Board shall identify on an annual basis the additional skills and abilities that may be required in order to improve its efficiency. The Board is responsible for identifying candidates possessing such skills and abilities and for ensuring that it has the best mix of skills and experience to guide Colabor Group long-term strategy and its ongoing business operations.
- 3.8 The Board shall include a sufficient number of Directors who are Financially Literate to ensure that all members of the audit committee are Financially Literate.
- 3.9 A director who is party to a substantial change in its principal occupation shall forthwith disclose this fact to the Board of Directors and offer, as the case may be, his or her resignation, for consideration, to the Board of Directors, according to the nature of the Director's occupational change. It is not expected that directors who retire or whose professional positions change should necessarily leave the Board. However, there should be an opportunity for the Board to review the continued appropriateness of its membership under such circumstances.
- 3.10 The Board of Directors shall approve new nominees to the Board. Each new director shall attend an orientation and training program which will include written information about the duties and obligations of the Directors, the business and operations of Colabor Group as well as documents from recent Board meetings. New directors shall also have the opportunity to discuss with the Executive Officers and other directors of Colabor Group. The details of the orientation of each new director will be tailored to that Director's individual needs and areas of interests. The prospective candidates must fully understand the role of the Board and its committees and the contribution expected from individual directors. The Board of Directors shall ensure that the directors are provided with the appropriate information about their mandate as soon as they are nominated to the Board. In addition, the Board of Directors shall ascertain and make available to its directors, when required, continuing education as per the business and operations of Colabor Group.

#### 4. **Meetings**

- 4.1 The Board of Directors shall hold at least five meetings per year.
- 4.2 The Directors, whenever possible, shall take the necessary steps to attend Board meetings and to look in advance into the matters and documents discussed thereat.

- 4.3 The Board of Directors shall appoint a secretary and, as the case may be, an assistant secretary. The secretary shall attend all meetings of the Board. The assistant secretary shall attend the meetings of the Board, as required or in the event that the secretary is unable to do so. The secretary or the assistant secretary, as the case may be, shall take the minutes of the meetings. The minutes shall be made available to the directors for consultation and are approved by the Board before being included in Colabor Group's registers or records.

**5. Resources**

- 5.1 The Board of Directors shall implement structures and procedures in order to function independently from the Executive Officers of Colabor Group.
- 5.2 The Board of Directors acknowledges the value of having certain members of the Executive Officers of Colabor Group attending the Board meetings to provide information and opinion in order to assist the Directors with their deliberations. The President and Chief Executive Officer of Colabor Group shall seek the Board's concurrence in the event of any proposed change to the Executive Officers attendees to Board meetings.
- 5.3 Each director may, in the performance of its duties, consult any relevant register or record of Colabor Group.
- 5.4 In carrying out its responsibilities and duties, the Board of Directors may consult with the Executive Officers of Colabor Group and may retain external advisors at the expense of Colabor Group in appropriate circumstances. Any hiring of external advisors shall be subject to the approval of the chairman of the corporate governance committee.

**6. Responsibilities and Duties**

- 6.1 The Board of Directors shall oversee the determination of long term strategic, financial and organizational goals for Colabor Group, as recommended by the Executive Officers of Colabor Group. The Board of Directors shall approve Colabor Group's strategic plan and review same on at least an annual basis. This plan shall take into account the opportunity, occasions and risks to the business of Colabor Group. Furthermore, the Board shall engage in a short and long term review of Colabor Group's activities in accordance with approved plans as well as overseeing the implementation of the strategic plan and management's effectiveness in this regard.
- 6.2 The Board of Directors shall adopt Colabor Group's corporate governance principles and guidelines following recommendations of the corporate governance committee.

- 6.3 The Board of Directors shall review annually the assessment of its performance and that of the Executive Officers of Colabor Group. To this effect, the Board takes into account the recommendations provided by the human resources committee or the corporate governance committee, as the case may be. It is expected that the objective of such review will be to identify the areas where the directors and the Executive Officers of Colabor Group could collectively or individually make a better contribution to the affairs of Colabor Group. Following such review, the Board shall take the appropriate measures.
- 6.4 The Board of Directors shall actively monitor the affairs and activities of Colabor Group in its stewardship capacity. To this effect, the Board shall request and receive on a regular basis reports from the Executive Officers of Colabor Group with respect to Colabor Group's financial results and activities.
- 6.5 The Board of Directors shall periodically review the significant risks affecting Colabor Group and its business and oversee the actions, systems and controls in place to manage and monitor risks and opportunities. The Board of Directors may impose such limits that it deems in the best interest of Colabor Group and its shareholders.
- 6.6 The Board of Directors shall oversee the integrity of Colabor Group's internal control and management information systems.
- 6.7 The Board of Directors shall ensure that Colabor Group adopts prudent financial standards with respect to Colabor Group's business and maintain prudent levels of indebtedness in relation to the consolidated capitalization of Colabor Group.
- 6.8 The Board of Directors shall review and approve:
- a) transactions outside the normal course of business of Colabor Group, including, without limiting the generality of the foregoing, proposals on mergers, acquisitions or other material investments;
  - b) any agreement entered into between Colabor Group and a related party (within the meaning of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*);
  - c) all matters that would be expected to have a major impact on the shareholders of Colabor Group;
  - d) all matters that would be expected to have a major impact on the creditors and employees of Colabor Group;
  - e) the disclosure of the annual information form, the annual report and adjoining financial statements, as well as the management discussion and analysis of Colabor Group, while taking up the

perspective of shareholders of Colabor Group as to the quality and usefulness of such disclosure, as per the recommendations of the audit committee;

- f) the disclosure of the interim financial statements and adjoining documents, as per the recommendations of the audit committee;
- g) the appointment of any person to any position that would qualify such person as a director or Executive Officer of Colabor Group;
- h) any proposed changes in compensation to be paid to the directors and Executive Officers of Colabor Group on the recommendation of the corporate governance committee or the human resources committee, as applicable.

6.9 The Board of Directors shall also receive reports and consider:

- a) the status of business relationships between Colabor Group and its key clients and suppliers;
- b) changes in the shareholding of Colabor Group from time to time and relationships between Colabor Group and its significant shareholders;
- c) periodic reports from the Board's committees with respect to matters considered by such committees;
- d) health, safety and environmental matters as they affect Colabor Group; and
- e) such other matters as the Board of Directors may, from time to time, determine.

6.10 The Board shall ascertain of the integrity of the President and Chief Executive Officer of Colabor Group and the said President and Chief Executive Officer shall promote the development of a culture of integrity among the individuals responsible for the stewardship of Colabor Group.

6.11 The Board of Directors shall oversee the management of Colabor Group and, to this effect, maintain constructive and productive relationships with the President and Chief Executive Officer and other Executive Officers of Colabor Group. On the advice of the human resources committee, the Board shall approve the appointment of any individual to an Executive Officer position with Colabor Group.

6.12 The Board of Directors shall, together with the President and Chief Executive Officer of Colabor Group, develop a position description for the President and

Chief Executive Officer of Colabor Group. The Board shall also approve the corporate objectives that the President and Chief Executive Officer of Colabor Group is responsible for meeting and assess his or her performance in relation to such objectives.

- 6.13 The Board of Directors shall oversee the appointing, training and monitoring of the President and Chief Executive Officer and other Executive Officers of Colabor Group, as well as the succession of such Executive Officers. The Board shall consult a report prepared by its human resources committee with respect to such matters.
- 6.14 Each year, the Board of Directors shall review its mandate in the light of changes which may occur in the legislation applicable thereto.

## **7. Committees of the Board**

- 7.1 The Board of Directors shall appoint committees to assist it in the performance of its duties and processing the information it receives.
- 7.2 Each committee operates according to the terms of a written charter approved by the Board of Directors outlining its duties and responsibilities. Each charter is reviewed on an annual basis and may be amended at any time by the Board.
- 7.3 The Board of Directors shall review annually the performance and the work of each committee. Each committee shall periodically remit to the Board a report relating to its activities and deliberations.
- 7.4 The Board of Directors shall annually appoint a member of each of its committees to act as chairman of such committee.
- 7.5 The committees shall be comprised only of Independent Directors.
- 7.6 All members of the audit committee shall be Financially Literate.
- 7.7 The Board of Directors shall appoint members of committees after considering the recommendations of the corporate governance and human resources committee and the Chairman as well as the skills, experience and expertise of individual directors.

## **8. Chairman**

- 8.1 The Chairman shall be an Independent Director.
- 8.2 In the absence or incapacity of the Chairman, the Board of Directors may appoint an Independent Director to perform the duties of the Chairman until such time as an substitute has been appointed.

- 8.3 The Chairman shall oversee that the Board of Directors discharge its responsibilities, ensure that it evaluates the performance of the Executive Officers of Colabor Group objectively and that the Board understands the boundaries between the Board's responsibilities and those of the Executive Officers of Colabor Group.
- 8.4 The Chairman should be able to stand sufficiently back from the day-to-day running of the business of Colabor Group to ensure that the Board of Directors is in full control of the affairs of Colabor Group and alert to its obligations to Colabor Group's shareholders.
- 8.5 The Chairman shall prepare, in collaboration with the President and Chief Executive Officer, the agenda for Board meetings.

9. **Communication policy**

- 9.1 Upon recommendation from the corporate governance committee, the Board of Directors shall oversee the implementation of a communication policy in order to fulfill its mandate. The Board shall annually review, if need be, the communication policy.
- 9.2 The Board of Directors shall ensure that the communication policy addresses how Colabor Group communicates its goals and objectives to its shareholders and other stakeholders. The Board shall also oversee the means by which Colabor Group's shareholders and other stakeholders communicate with Colabor Group.
- 9.3 The Board of Directors shall ensure that the communication policy addresses how Colabor Group interacts with analysts, investors, other key stakeholders and the public. The Board shall ensure that the communication policy contains measures for Colabor Group to comply with its continuous and timely disclosure requirements and to avoid selective disclosure of information.
- 9.4 The Board of Directors shall monitor compliance by Colabor Group with the corporate governance requirements and guidelines of securities regulatory authorities. The Board shall approve the disclosure of any corporate governance terms of Colabor Group adopted by the Board.

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