



## IPL PLASTICS INC.

### MANDATE OF THE BOARD OF DIRECTORS

#### INTRODUCTION

The board of directors (the "**Board**") of IPL Plastics Inc. (the "**Company**") is committed to business integrity, strong ethical values and professionalism in all of its activities and operations. It is therefore committed to maintaining the highest standards of corporate governance. The directors are committed to maintaining high standards and have undertaken to design appropriate corporate governance arrangements having regard to best practice taking into account the size of the Company and the nature of its activities.

#### ROLE

The Board is responsible for the overall leadership and control of the Company and for determining the nature and extent of the significant risks it is willing to take in achieving the Company's strategic objectives. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

The roles of the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**") are separate with a clear division of responsibilities between them. The Board is responsible to adopt, update and review the written position description for the role of the Chief Executive Officer. The Board oversees and delegates responsibility for the day-to-day management of the Company through the Chief Executive Officer to executive management. The Board also delegates some of its responsibilities to Board committees, specifically the Audit Committee, the Human Resources and Remuneration Committee and the Corporate Governance and Nominating Committee. Ad-hoc committees may also be formed from time to time to deal with specific matters. The Board will, however, retain its oversight function and ultimate responsibility for delegated matters. Directors may seek independent professional advice at the Company's expense, where they determine it necessary to discharge their responsibilities as directors. The Company has an insurance policy in place which indemnifies the directors in respect of legal action taken against them.

#### MEMBERSHIP

It is Board policy that at the majority of the Board shall consist of independent directors. All of the directors bring independent judgment to bear on issues of strategy, performance, resources, key appointments and standards.

The Board policy in respect of the assessment of the directors' independence is based on the principles relating to independence set forth in applicable laws and the rules of any stock exchange upon which the Company's securities are listed, including section 1.4 of National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time.

#### CHAIRMAN

The Chairman is responsible for the efficient and effective working of the Board and for ensuring that the Board considers the key strategic issues the Company faces and that the directors receive accurate, timely, relevant and clear information. The Chairman also advises the Chief Executive Officer in all matters concerning the interests of the Board and the relationships between management personnel

and the Board. The Chairman will be appointed by the Board, after considering the recommendation of the Corporate Governance and Nominating Committee. The Board will also adopt, update and review the position description for the Chairman.

## **LEAD DIRECTOR**

Where the Chairman is not independent, the independent members of the Board will appoint a lead director of the Board (the "**Lead Director**"), after considering the recommendation of the Corporate Governance and Nominating Committee. The Board will also adopt, update and review the position description of the Lead Director.

## **EXECUTIVE OFFICERS**

The appointment and removal of the executive officers of the Company, including the Chief Executive Officer, the chief financial officer and the secretary of the Company (the "**Company Secretary**") is a matter for the Board based on the recommendation of the Human Resources and Remuneration Committee. All directors have access to the Company Secretary who is responsible to the Board for ensuring that Board procedures are complied with.

The Company Secretary, or any other person acting in such capacity, and appointed by the Board, shall minute the proceedings and decisions of all meetings of the Board, including recording the names of those present and in attendance. The Company Secretary shall ascertain the existence of any conflicts of interest and minute them accordingly. Draft minutes of Board meetings shall be circulated promptly to all members of the Board.

## **RETIREMENT AND RE-ELECTION**

The directors of the Company will be elected by shareholders at each annual shareholders meeting of the Company, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and will be eligible for re-election or re-appointment. Directors appointed by the Board must submit themselves for election at the first annual shareholders meeting of the Company following their appointment.

## **INDUCTION AND DEVELOPMENT**

All new directors on appointment receive a comprehensive orientation to ensure they fully understand the role of the Board and its committees, the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Company expects from them) and the nature and operation of the Company's business. Continuing education opportunities is provided for all directors, so that individuals may maintain or enhance their skill and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current. For instance, ongoing briefings for directors are held on a regular basis with management and the opportunity is afforded to directors to visit group operations.

## **MEETINGS**

It is Board policy to meet not less than once in each quarter. The Board will also meet at other times as it considers appropriate. In addition, the Board normally spends one day per year reviewing the Company's strategy. The independent members of the Board shall meet *in camera* with the lead director (if any) and without members of management and the non-independent directors after each Board meeting and committee meeting.

The Chairman sets the agenda for each meeting in consultation with the Chief Executive Officer and the Company Secretary. The agenda and Board papers, which provide the directors with relevant

information to enable them fully consider the agenda items in advance, are circulated prior to each meeting. Directors are encouraged to participate in debate and engage in constructive challenge.

The Board may meet by telephone conference call or by any other means permitted by law or the Company's bylaws.

## **PERFORMANCE EVALUATION**

Annual evaluations of the Board, the Committees, the Chairman and individual directors are completed internally. The evaluations of the Board, the Committees and individual Directors are typically conducted through evaluation and self-evaluation questionnaires.

In the event that a Lead Director be appointed, the evaluation of the Chairman is facilitated by the Lead Director. The Lead Director meets with the other non-executive directors, without the Chairman present, to review the performance of the Chairman, taking the views of the executive directors into account. Formal feedback is provided to the Chairman by the Lead Director.

## **DUTIES AND RESPONSIBILITIES**

The responsibilities of the Board include:

### **1. STRATEGY, BUDGET AND MANAGEMENT**

- 1.1 Responsibility for the overall management of the Company.
- 1.2 Approval of the overall business strategy of the Company and its subsidiaries.
- 1.3 Approval of the annual operating and capital expenditure budgets and material changes to them.
- 1.4 Review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

### **2. FINANCIAL REPORTING AND CONTROLS**

- 2.1 Review, approval and oversight of the Company's material continuous disclosure documents, including the Company's annual information form, management's discussion and analysis, press releases related to the financial results, the corresponding financial statements and the management proxy circular.
- 2.2 Approval (following a recommendation of the Audit Committee) of the dividend policy, declaration of the interim dividend and recommendation of the final dividend.
- 2.3 Approval of any significant changes in accounting policies.
- 2.4 Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).

### **3. INTERNAL CONTROLS**

- 3.1 Identifying and assessing periodically the principal risks of the Company's business and ensuring maintenance of a sound system of internal control and risk management to manage these risks.
- 3.2 Approval by independent directors of contracts in which a director has an interest.

#### **4. BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

- 4.1 Review and approve, following the recommendation of the Human Resources and Remuneration Committee, the succession planning for the Chief Executive Officer, the chief financial officer of the Company and other members of the senior management of the Company.

#### **5. REMUNERATION**

- 5.1 Review and approve, following the recommendations of the Human Resources and Remuneration Committee and the Corporate Governance and Nominating Committee, the remuneration policy for the directors, the Chief Executive Officer, the chief financial officer of the Company, the Company Secretary and other senior executives of the Company.
- 5.2 Review and approve, following the recommendation of the Human Resources and Remuneration Committee or the Corporate Governance and Nominating Committee (as applicable), any new share incentive plans or major changes to existing plans.

#### **6. DELEGATION OF AUTHORITY**

- 6.1 Review and approval of the structure, size, composition, mandate and members for each Board committee, and approval of any modifications to such items as considered advisable.
- 6.2 Review of the mandate of each of the Board committees and approval of any suggested amendments.
- 6.3 Review reports from the Board committees on their activities.

#### **7. CORPORATE GOVERNANCE MATTERS**

- 7.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.
- 7.2 Determining the independence, or lack thereof, of directors.
- 7.3 Developing the approach to and disclosing the corporate governance practices of the Company and its subsidiaries.
- 7.4 Ensuring, as feasible, that each director acts with integrity and good faith and in the best interest of the Company, taking into account the interest of, *inter alia*, shareholders, employees, creditors, consumers, governments and the environment to inform its decisions.
- 7.5 Setting expectations and responsibilities of directors, including attendance at, preparation for, and participation in meetings.
- 7.6 Overseeing the adequacy of the Company's processes to ensure compliance by the Company with applicable legal and regulatory requirements.
- 7.7 Establishing measures for receiving feedback from shareholders.

#### **8. POLICIES**

- 8.1 Approval and adoption of key policies designed to ensure that the Company, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity, in particular, reviewing and approving the Code of Conduct of the Company with the purpose of promoting integrity and deterring wrongdoing, and encouraging

and promoting a culture of ethical business conduct and, as required, overseeing compliance with the Company's Code of Conduct by directors, officers, and other management personnel and employees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

#### **LIMITATIONS ON THE BOARD'S DUTIES**

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Company. Members of the Board are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, and (ii) the accuracy and completeness of the information provided.

**APPROVAL DATE: June 28, 2018.**