

**WAJAX CORPORATION  
BOARD MANDATE  
AND  
GOVERNANCE GUIDELINES**

**BOARD MANDATE**

The mandate of the board of directors shall be to enhance long-term value for shareholders. Its role shall be of a supervisory nature and in the discharge of its mandate, it shall assume responsibility for broad corporate policies and for the overall effective and ethical performance of the corporation through the oversight of management.

Management shall be responsible for the day-to-day operations of the subsidiaries and limited partnerships through which operations are conducted and for properly informing the board of the status of operations, for taking the lead in developing operating and strategic plans and options, and for identifying and managing the risks inherent therein.

Any responsibility not delegated to management or one or more of its board committees remains with the board. The board will review and may periodically modify this document as appropriate to reflect the evolution of its governance practices.

The board will, directly or through its board committees, assume specific responsibility for the following functions:

**Strategic Planning**

- The board will review, question and validate strategies proposed by management. Management's responsibility is to develop individual business unit and corporate strategic plans which will take into account the opportunities and risks of the business, and to implement such plans once board review is complete.
- The board will monitor performance against approved strategic and annual business plans including assessing operating results on behalf of shareholders to evaluate whether the business is being properly managed.

**Risk Assessment**

- The board will have overall responsibility for assessing the principal risks facing the corporation's businesses, reviewing options for their mitigation and overseeing the implementation of appropriate systems to manage such risks.

**Succession Planning**

- The board will select and oversee a well-qualified chief executive officer and approve and maintain a succession plan for the chief executive officer and senior executives, based upon recommendations from the Human Resources and Compensation Committee.

**Communications Policy**

- The board will approve the corporation's policies and practices with respect to disclosure of financial and other information consistent with disclosure requirements under applicable securities law.

**Accounting and Financial Reporting/Disclosure Controls and Procedures and Internal Controls**

- The board will oversee the quality and integrity of the corporation's accounting and financial reporting systems, internal controls and disclosure controls and procedures to assure the results that the controls are designed to achieve.

## **Environmental, Social and Governance (“ESG”)**

- The board will oversee and monitor the corporation’s approach, policies and practices related to ESG matters.
- The board will approve policies proposed by management in respect of environmental, health and safety issues and review regular management reports on the operation of the corporation’s environmental and occupational health and safety management systems in its subsidiaries and limited partnerships.

## **GOVERNANCE GUIDELINES**

### **The Chair of the Board**

The policy of the board will be to select as Chairman a director who is independent.

### **Independence and Qualification of Directors**

At a minimum, a majority of the board shall be composed of directors who must be independent as determined by the board in conformity with the laws, regulations and listing requirements to which the corporation is subject. The board will monitor the mix of skills and experience of its directors in order to assure that it has the necessary tools to perform its oversight function effectively.

When a director’s principal business association changes significantly, the director will tender their resignation for consideration by the Governance Committee of the continued appropriateness for board service.

### **Board Meetings**

Directors are expected to attend board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Materials that are important to the board’s understanding of the business to be conducted at a meeting shall be distributed in ample time for review beforehand. The Chairman and the Chief Executive Officer (the “CEO”), in consultation with the Chief Financial Officer and the Corporate Secretary, will establish the agenda for each board meeting. Board members shall be free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for that meeting.

Every meeting of the board shall include an *in camera* session at which no non-independent directors or members of management are present.

### **Committees**

The board will delegate certain of its functions to committees. The corporation’s current three committee structure (Audit, Governance and Human Resources and Compensation) is considered appropriate. However, this structure is subject to change as the board considers from time to time which of its responsibilities can best be fulfilled through a detailed review of matters in committee. Committees will operate according to board-approved written mandates outlining duties and responsibilities. Task force committees may, however, be established on an *ad hoc* basis to deal with specific subjects. All members of committees shall meet the independence criteria set forth in applicable laws, rules or listing requirements. Committee members shall be appointed by the board upon the recommendation of the Governance Committee, after consultation with individual directors. Committee membership shall be rotated periodically and the committee chairs shall be rotated periodically, on the recommendation of the Governance Committee.

The chair of each committee, in consultation with committee members, shall determine the frequency and length of committee meetings, consistent with any requirements set forth in the committee’s charter. The chair of each committee, in consultation with management, shall develop the committee’s agenda. Each committee will report on the results of each committee meeting at the next board meeting.

## **CEO Performance**

The Chair of the Human Resources and Compensation Committee, together with the Chair of the Board, shall conduct an annual review of the CEO's performance. Such joint evaluation will be reported to and discussed with the Human Resources and Compensation Committee and shall be subsequently reviewed with the board of directors in order to ensure that the CEO is providing the best leadership for the corporation in the long and short term.

## **Director Access to Senior Management**

Directors shall have full and free access to senior management and other employees. Meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the director.

## **Evaluation of Board, Committee and Director Performance**

The Governance Committee shall periodically review the board approved processes which have been implemented to assess the effectiveness of the board, its committees and the contribution of individual directors. The results of the committee's review of board and committee performance shall be summarized and presented to the board.

## **Communications with Outside Parties**

If an outside party approaches a director on a matter of interest to the corporation, the director should bring the matter to the attention of the Chair who shall determine an appropriate response. Generally the board believes that senior management should speak for the corporation.

## **Share Ownership by Directors**

The board has determined that an ownership interest in the corporation by directors should be encouraged as one way of helping to align the interests of directors with those of the shareholders. The board has adopted a policy requiring directors to allocate a portion of their annual compensation as directors towards the purchase of deferred share units, the value of which is measured by reference to the shares of the corporation.

The board has also established a minimum share ownership guideline for directors. Directors are expected to hold a minimum number of shares or deferred share units having a value not less than three times their annual retainer as of the date of their appointment to the board. Directors are expected to meet this minimum share ownership requirement within five years of appointment.

## **Retirement from the Board**

It is contemplated that directors will retire from the board at the annual general meeting next following the earlier of: (i) their 73<sup>rd</sup> birthday (the "**Retirement Age**"), and (ii) their 15<sup>th</sup> year of service as a director, provided however, that for directors first elected or appointed prior to the annual general meeting held May 2, 2023, only the Retirement Age shall apply.

The board may in exceptional circumstances and where, in its sole discretion, it determines it would be in the best interests of the corporation, accept a recommendation of the Governance Committee that a director be proposed for re-election after reaching 73 and/or completing their 15<sup>th</sup> year of service as a director, as the case may be. Directors will not be proposed for re-election after reaching age 75 or such other age as the committee decides.

## **Majority Voting**

In accordance with the provisions of the *Canada Business Corporations Act* and its regulations, a nominee for election as a director who receives a greater number of votes "against" than votes "for" will not be elected as a director. Notwithstanding the foregoing, if the nominee is an incumbent director, the director may continue in office until the earlier of (i) the 90<sup>th</sup> day after the day of the election; and (ii) the day on which their successor is appointed or elected. Furthermore, the board may reappoint an incumbent director even if they do not receive

majority support to ensure the board is composed of the requisite number of (i) Canadian residents; and (ii) directors who are neither officers nor employees of the corporation. This policy only applies in circumstances involving an uncontested election of directors. An “uncontested election of directors” means an election where there is only one candidate nominated for each position available on the board, as determined by the board.

### **Director Compensation**

The form and amount of director compensation will be determined by the board based upon the recommendation of the Governance Committee. The Governance Committee shall conduct reviews of director compensation at least every two years. Directors of Wajax Corporation who are employees of the corporation or any of its subsidiaries shall not receive any compensation for their services as directors. Directors who are not employees of the corporation or any of its subsidiaries or affiliates shall not enter into any consulting arrangements with the corporation.

### **Individual Directors Engaging Outside Advisors**

Any director may after notice to and with the consent of the Chair of the Governance Committee retain an external adviser at the corporation’s expense.

### **Orientation and Continuing Education**

New directors shall participate in an orientation process to become familiar with the corporation and its strategic plans and businesses, significant financial matters, core values including ethics, compliance programs, corporate governance practices and other key policies and practices through a review of background materials and meetings with senior executives. The Governance Committee shall be responsible for providing guidance on continuing education.

### **Board Confidentiality**

Directors will maintain the absolute confidentiality of the deliberations and decisions of the board and the information received at meetings.

### **Resources and Authority of the Board**

The board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts as it deems appropriate, without seeking approval of management.

### **Indemnification**

The corporation will provide reasonable directors’ and officers’ liability insurance and shall indemnify directors to the fullest extent permitted by law.

*Revised December 12, 2022.*