



BOARD MANDATE

1. Introduction

The Board of Directors of the Company (the “**Board**”) has adopted these corporate governance guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities. The Board may modify or make exceptions to these Guidelines from time to time in its discretion and consistent with the duties and responsibilities owed to the Company and its shareholders.

2. Directors Responsibilities

(a) **Oversee Management of the Company.**

The principal responsibility of the directors is to oversee the management of the Company in the best interests of the Company and its shareholders. This responsibility requires that the directors attend to the following:

- review and approve on a regular basis, and as the need arises, fundamental operating, financial, and other strategic corporate plans which take into account, among other things, the opportunities and risks of the business;
- evaluate the performance of the Company, including the appropriate use of corporate resources;
- evaluate the performance of, and oversee the progress and development of, senior management and take appropriate action, such as promotion, change in responsibility and termination;
- implement senior management succession plans;
- evaluate the Company’s compensation programs;
- establish a corporate environment that promotes timely and effective disclosure (including appropriate controls), fiscal accountability, high ethical standards and compliance with applicable laws and industry and community standards;
- evaluate the Company’s systems and business to identify and manage the risks faced by the Company;
- evaluate and oversee insurance programs and approve insurance policy limits;
- review and decide upon material transactions and commitments;
- develop corporate goals and objectives;

- develop a corporate governance structure that allows and encourages the Board to fulfill its responsibilities;
- provide assistance to the Company's senior management, including guidance on those matters that require Board involvement; and
- value the overall effectiveness of the Board and its committees.

(b) **Exercise Business Judgment.**

In discharging their fiduciary duties of care, loyalty and candour, directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Company and its shareholders free from personal interests. In discharging their duties, the directors normally are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel but also should consider second opinions where circumstances warrant.

(c) **Understand the Company and its Business.**

With the assistance of the Company, directors are expected to become and remain informed about the Company and its business, properties, risks and prospects.

(d) **Establish Effective Systems.**

Directors are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company. Directors should also provide for periodic reviews of the integrity of the Company's internal controls and management information systems.

(e) **Protect Confidentiality and Proprietary Information.**

Directors are responsible for establishing policies that are intended to protect the Company's confidential and proprietary information from unauthorized or inappropriate disclosure. Likewise, all discussions and proceedings of the Board must be treated as strictly confidential and privileged to preserve open discussions between directors and to protect the confidentiality of Board discussions.

(f) **Board, Committee and Shareholder Meetings.**

Directors are responsible to adequately prepare for and to attend Board meetings and meetings of committees on which they serve. They must devote the time needed, and meet as frequently as necessary, to properly discharge their responsibilities. Directors who reside in or near the city where the Company holds a shareholders' meeting are expected to make a reasonable effort to attend such meeting.

(g) **Indemnification.**

The directors are entitled to Company-provided indemnification through corporate articles, corporate statutes, indemnity agreements and, when available on reasonable terms, directors' and officers' liability insurance.

3. Directors Qualification Standards

i. **Independence.**

The Board believes that at all times a majority of the directors should meet applicable standards of director independence. For members of the Audit Committee, director independence is to be determined in accordance with those legal and stock exchange independence standards applicable to the Company's Audit Committee.

For other purposes, the Board will, from time to time, establish independence standards that (i) comply with applicable legal and stock exchange requirements and (ii) are designed to ensure that the director does not have, directly or indirectly, a financial, legal or other relationship with the Company that would reasonably interfere with the exercise of independent judgment in carrying out the responsibilities of the director. The standards currently in effect are contained in *Appendix 2 - Director Independence Standards*.

ii. Size and Skills of Board.

The Board believes that a Board comprised of 5 to 7 members is an appropriate size given the Company's present circumstances. The Board will also consider the competencies and skills that the Board, as a whole, should possess and the competencies and skills of each director.

iii. Other Directorships.

The Board does not believe that its members should be prohibited or discouraged from serving on boards of other organizations, and the Board does not propose any specific policies limiting such activities, providing they do not reduce a director's effectiveness or result in a continuing conflict of interest. However, the Corporate Governance and Compensation Committee ("**CGCC**") should take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and in making its recommendations.

iv. Tenure.

The Board does not believe it should establish director term limits. Term limits could result in the loss of directors who have been able to develop, over a period of time, significant insight into the Company and its operations and an institutional memory that benefits the Board as well as management. As an alternative to term limits, the CGCC will review each director's continuation on the Board periodically. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board and allow the Company to replace directors where, upon recommendation of the CGCC, the Board makes a determination in that regard.

v. Separation of the Offices of Executive Chairman and CEO.

The Board will select an Executive Chairman in a manner and upon the criteria that the Board deems appropriate at the time of selection. The Board believes the offices of Executive Chairman and Chief Executive Officer ("**CEO**") should generally not be held by the same persons except in extraordinary circumstances.

vi. Selection of New Director Candidates.

Except where the Company is legally required by contract, law or otherwise to provide third parties with the right to nominate directors, the CGCC will be responsible for (i) identifying individuals qualified to become Board members, (ii) recommending to the Board the persons to be nominated for election as directors at any meeting of shareholders, and (iii) recommending to the Board persons to be elected by the Board to fill any vacancies on the Board. The CGCC's recommendations will be considered by the plenary Board but the recommendations are not binding upon it.

vii. Extending the Invitation to a New Director Candidate to Join the Board.

An invitation to join the Board will be extended in the manner, and when authorized by the Board.

viii. Majority Voting Policy.

If the votes "for" the election of a director nominee at a meeting of shareholders are fewer than the number voted "withhold", the nominee is expected to submit his or her resignation promptly after the meeting for the consideration of the CGCC.

The CGCC will make a recommendation to the Board after reviewing the matter, and the Board will then decide whether to accept or reject the resignation. The Board's decision to accept or reject the resignation will be disclosed to the public. The nominee will not participate in any CGCC deliberations whether to accept or reject the resignation. This policy does not apply in circumstances involving contested director elections. See *Appendix 7 - Majority Voting Policy*.

ix. **Advance Notice Policy.**

If nominations of persons for election to the Board are made by shareholders other than through either, a requisition of a meeting or a shareholder proposal made, pursuant to the *Business Corporations Act* (British Columbia), advance notice must be given to the Company. The policy sets a deadline by which shareholders must submit nominations (a "Notice") prior to any meeting, sets forth the information they must include in the Notice, and establishes the form in which the Notice must be submitted. See *Appendix 8 - Advance Notice Policy*.

4. Board Meetings

a) **Selection of Agenda Items.**

The Executive Chairman with the assistance of management, shall propose an agenda for each Board meeting. Each Board member is free to request the inclusion of other agenda items and is generally free to request at any Board meeting the consideration of subjects that are not on the agenda for that meeting, although voting on matters so raised may be deferred to another meeting to permit proper preparation for a vote on an unscheduled matter (emergencies excepted).

b) **Frequency and Length of Meetings.**

The Executive Chairman, in consultation with the members of the Board, will normally determine the frequency and length of Board meetings. However, the ultimate power in this regard rests with the plenary Board. Special meetings may be called from time to time as required to address the needs of the Company's business.

c) **Advance Distribution of Materials.**

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will normally be distributed in writing to the directors reasonably before the meeting (with a goal of at least 48 hours) and directors should review these materials in advance of the meeting. The Board acknowledges that certain items to be discussed at a Board or committee meeting may be of a very time-sensitive nature and that the distribution of materials on these matters before the meeting may not be practicable.

5. Board Committees

a. **Key Committees.**

The Board will at all times have an Audit Committee and a CGCC. Each such committee will have a charter that has been approved by the Board. The Board may, from time to time, establish or maintain additional committees or subcommittees as it deems necessary. The Board may delegate any of its powers to committees of the Board, except that it may not delegate the powers to fill Board vacancies, remove a director, change the membership or fill vacancies in a Board committee, or remove or appoint officers who are appointed by the Board.

b. Committee Charters.

The charters of the committees will set forth the purposes, goals and responsibilities of the committees, and will be included as Appendices to these Guidelines. The Board will, from time to time as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes. Each charter must address those matters required by applicable laws and stock exchange rules.

c. Assignment of Committee Members.

The CGCC will be responsible for recommending to the Board the persons to be appointed to each committee of the Board. All members of the Audit Committee must meet the independence standards applicable to audit committees as required by applicable laws and regulations and stock exchange rules. All members of the CGCC must be “independent directors” in accordance with the director independence standards established by the Board from time to time. The Audit Committee and CGCC will have a minimum of three directors. Other committees shall have at least one member or the minimum number of members required by applicable law and the Company’s charter documents.

d. Selection of Agenda Items.

Each committee chairman, in consultation with the committee members, will develop the committee’s agenda.

e. Frequency of Committee Meetings.

The chairman of each committee, in consultation with other committee members, will determine the frequency of the committee meetings consistent with any requirements set forth in the committee’s charter. Special meetings may be called by any member from time to time as required to address the needs of the Company’s business and fulfill the responsibilities of the committees.

6. Director’s Access to Management and Independent Advisors

a) Access to Officers and Employees.

All directors have at all reasonable times and on reasonable notice, full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate should normally be arranged through the CEO or the Chief Financial Officer (“**CFO**”). The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. The directors are normally expected to provide a copy or otherwise inform the CEO of any communication between a director and an officer or employee of the Company.

b) Access to Independent Advisors.

The Board and each committee shall have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company. Such independent advisors may be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the appropriate compensation of such advisors as established by the Board or any such committee.

7. Director Compensation, Stock Ownership and Stock Trading

a. Role of Board and Corporate Governance and Compensation Committee.

The form and amount of director compensation will be recommended by the CGCC and approved by the Board in accordance with the general principles set forth herein and in the CGCC Charter. The CGCC will also periodically review the compensation of the Company's directors and make recommendations to the Board.

b. Form of Compensation.

The Board believes that directors should be provided with incentives to focus on long-term shareholder value. The Board believes that including equity shares, options and stock appreciation rights as part of director compensation helps align the interests of directors with those of the Company's shareholders.

c. Amount of Compensation.

The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors competitively relative to comparable companies. The Board believes that it is appropriate for the Executive Chairman and the chairmen of the committees, if not members of management, to receive additional compensation for their additional duties in these positions. Directors who are also employees of the Company may receive additional compensation for Board or committee service if they are not already compensated at full industry rates in their capacities as employees.

d. Compensation for Director Service by Company Employee While Serving on Other Boards of Directors.

When any employee of the Company serves as a director of another company at the request of the Company or as the representative of the Company, that employee may not accept compensation from that other company for such service. If any such compensation is nonetheless received, it shall be received on behalf of and paid over to the Company.

e. Director Stock Ownership.

The Board believes that each director should acquire and hold shares of Company stock in an amount appropriate to each such director.

f. Stock Trading.

Prior to purchasing or selling shares of Company stock, directors must advise the CEO, CFO, Corporate Secretary or counsel for the Company so as to avoid trading at a time when there may be undisclosed material information and so that Company Spokespersons will be aware of such transactions and be able to respond to questions regarding changes in share ownership from shareholders and others.

8. Director Orientation and Continuing Education

i. Director Orientation.

The Company's senior management will assist in the orientation of new directors as soon as possible after their appointment as directors. The orientation may include presentations by management to familiarize new directors with the Company's projects and strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics, its principal officers, its internal and independent auditors and its outside legal advisors.

In addition, the orientation will include a review of the Company's expectations of its directors in terms of time and effort, and a review of the directors' fiduciary duties.

ii. **Continuing Education.**

To enable each director to better perform his or her duties and to recognize and deal appropriately with issues that arise, the Company supports and encourages directors to undertake relevant continuing director education, the cost of which, if approved by the CEO, will be borne by the Company.

9. Management Evaluation and Succession and Executive Compensation

i. **Selection of CEO.**

The Board selects the Company's CEO in the manner that it determines to be in the best interests of the Company. The Board, together with the CEO, will develop a clear position description for the CEO. The Board will also develop the corporate goals and objectives that the CEO is responsible for meeting.

ii. **Evaluation of Senior Management.**

The CGCC will be responsible for overseeing the evaluation of the performance of the CEO and other members of senior management. The CGCC will determine the nature and frequency of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the performance of the CEO, to be discussed with the Board. The Board will review the assessment to ensure that the CEO is providing the best leadership for the Company over the long- and short-term. The CGCC will also discuss with the Board the recommendations of the CEO with regard to the compensation of the other members of senior management.

iii. **Succession of Senior Management.**

The CGCC will be responsible for overseeing senior management succession planning.

iv. **Expectations of Senior Management.**

The Board will establish, and periodically review, its expectations for senior management generally.

v. **Executive Compensation.**

Compensation of the CEO must be determined, or recommended to the Board for determination, by the CGCC. The CEO must not be present during voting or deliberations. Compensation for all other members of senior management must be determined, or recommended to the Board for determination, by the CGCC.

10. Code of Ethics

The Board, on the recommendation of the CGCC, will adopt and maintain a Code of Ethics, which will apply to the employees, officers and directors of the Company.

11. Annual Performance Evaluation of the Board

The CGCC will oversee periodic self-evaluations of the Board to determine whether it and its committees are functioning effectively. The CGCC will determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance. This evaluation will be discussed by the Board.

12. Board Interaction with Shareholders, institutional Investors, the Press, Customers, etc.

The Board believes that the CEO and his or her designees should normally speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is, however, expected that Board members would do so with the knowledge of and, absent unusual circumstances, only at the request of the Company's senior executives.

The Board will give appropriate attention to written communications that are submitted by shareholders and other interested parties, and will respond if and as appropriate. Absent unusual circumstances, the Executive Chairman monitors communications from shareholders and other interested parties, and will provide copies or summaries of such communications to the other directors as he or she considers appropriate.

13. Periodic Review of the Guidelines

The Board will, from time to time, with or without recommendations of the CGCC, review and reassess the adequacy of these Guidelines and consider any proposed changes.

The Company will ensure that a current version of this Corporate Governance Policies and Procedures Manual is posted on the Company's Internet website.

Reviewed & Approved by the Corporate Governance
& Compensation Committee on October 21, 2020

Approved by the Board of Directors on November 25, 2020
Approved by the Board of Directors on June 15, 2015

APPENDIX 1

MATTERS REQUIRING BOARD APPROVAL (NON-DELEGATION POLICY)

This policy identifies items that must be approved by the Board of Directors of the Company (the “Board”) or a committee of the Board and are not delegated to management without Board approval. A general overriding consideration is that the directors are required under law to manage, or supervise the management of, the business and affairs of the Company. Accordingly, even if an action might fall outside these guidelines, management should consider whether the matter, nevertheless, should be referred to the Board for consideration.

The following is a list of items that officers must refer to the Board, or an appropriate committee thereof, for consideration. Under these guidelines, the “Threshold Amount” is equal to C\$50,000 and an “Out of Budget Transaction” is a transaction that exceeds the Threshold Amount and that is not otherwise already part of the Company’s approved operating budget.

1. The approval of annual Company strategy and business plan.
2. Entering into transactions of a fundamental nature such as amalgamations, mergers, material acquisitions or dispositions and major operational restructuring.
3. Terminating, suspending or significantly modifying any material business activity or business strategy of the Company.
4. Undertaking new business activities inclusive of investment or disinvestment that requires an allocation of resources in excess of C\$50,000 (the Threshold Amount).
5. Making any material change to a business or strategic plan that has been previously approved by the Board.
6. The approval of annual corporate operating and capital budgets and changes that are Out of Budget Transactions.
7. Declaration of dividends or establishing dividend policies.
8. Initiating or settling any legal proceeding involving a payment that may exceed the Threshold Amount.
9. The approval of quarterly and annual reports and all financial information and other disclosure documents that are required by law to be approved by the Board before they are released to the public.
10. Approval of insurance policy limits.
11. Adoption of hedging policies.
12. Approval of material codes of conduct and operating policies, including signing authority protocols.
13. Allotment of any securities. This includes shares, options, warrants or other convertible or debt securities, and the payment of a commission to any person as consideration for purchasing securities of the Company or providing purchasers for any such securities. Securities may be issued by executive officers where previously allotted by the Board (e.g. exercise of previously allotted options and warrants upon exercise).
14. Agreeing to redeem, purchase or otherwise acquire any of the Company’s shares for total consideration in excess of the Threshold Amount.

15. Listing or de-listing on any stock exchange.
16. Employing or terminating the Company's independent auditor.
17. Employing or terminating the Company's internal auditor as recommended by management.
18. The approval of a request by the Chief Executive Officer or the Chief Financial Officer of the Company to serve on the board of another entity, other than not-for-profit entities or family businesses that in no material way compete with the Company or do any material business with the Company.
19. Hiring or terminating of employment, or determining the compensation, of any person who is an executive officer of the Company.
20. Offering any material employment or consulting terms to any individual or entity which are not customary for the Company. This determination is to be made by reference to terms of employment or consultancy that have generally been offered to other employees or consultants in similar positions or with similar status.
21. Entering into any agreement with an officer, director or 10% shareholder of the Company or any parent or subsidiary of the Company outside of the ordinary course of business.
22. Entering into any material contract, agreement or commitment out of the ordinary course of business, including the disposal of material assets of the Company.
23. Entering into, or making a material modification of, any agreement or commitment to become liable for any indebtedness, including the granting of a guarantee or similar standby obligation, if (a) the amount of such indebtedness is an Out of Budget Transaction or (b) any assets of the Company are made subject to a security interest in an Out of Budget Transaction.
24. Determining the amounts to be allocated to corporate social responsibility projects.
25. Approval of Board committee charters and appointment of Board committee members.
26. Any other matter specified by the Board as requiring its prior approval.

APPENDIX 2

DIRECTOR INDEPENDENCE STANDARDS TSX Manual - "Independent" has the meaning used in NI 52-110

Sections 1.4 and 1.5 of National Instrument 52-110

1.4 Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because:

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional Independence Requirements

- (1) Despite any determination made under section 1.4, an individual who
- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities,
- is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by:
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Independent has the meaning used in NI 52-110 (Section 1.4 & Section 1.5)

1.4 Meaning of independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.[Intentionally Blank]

- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional independence requirements

- (5) Despite any determination made under section 1.4, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- (6) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (7) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.