



## **BOARD OF DIRECTORS' CHARTER**

### **INTRODUCTION**

The Board currently consists of four directors including the President, Secretary, CEO and CFO. The directors of the Corporation are elected by the shareholders on an annual basis at the Corporation's annual general meeting. Directors are deemed to resign from the Board on the date of the annual general meeting.

### **AUTHORITIES AND RESPONSIBILITIES**

The Board has the authority to exercise all powers of the Corporation that are required by the *Nevada Revised Statutes* or Bylaws of the Corporation. Without limiting the generality of this authority, the Board may make the policies and orders respecting:

#### ***Strategic Planning***

Long-term strategies with respect to the Corporation's operations are developed by senior management of the Corporation and reviewed and approved by the Board. The strategies are reviewed and updated as required.

Annual operating and capital plans are developed by management and reviewed and approved by the Board. The strategic plan is to take into account, among other things, the opportunities and risks of the Corporation's business on a shorter term basis.

#### ***Identification and Management of Risks***

The Board has the responsibility to identify the principal risks of the Corporation's business and will, together with management, establish systems and procedures to be implemented by management to reasonably ensure that these risks are appropriately monitored. These systems and procedures must include the responsible use of the Corporation's assets and financial resources, and must take such reasonable steps to ensure compliance with all regulatory obligations.



### ***Supervision and Succession of Management***

The Board is responsible for the supervision of senior management to take reasonable steps to ensure that the operations of the Corporation are conducted in accordance with strategic plans and objectives set by the Board from time to time. Appointment of the CEO, COO and CFO are approved by the Board.

The Board has responsibility for ensuring that appropriate and reasonable plans have been made for management succession and development.

The Board is responsible for assessing the performance of the Senior Officers of the Corporation and ensuring that the management team is sound, focused and capable of successfully managing the Corporation;

### ***Internal Controls and Disclosure***

The Board, through the Audit Committee, will be responsible for the integrity of the internal control and management information systems of the Corporation. The duties of the Audit Committee are located at Tab 7.

The Board is responsible for approving a communications policy that includes a framework for investor relations and a public disclosure policy.

The Board is responsible for reviewing and assessing disclosure to shareholders and stakeholders about the integrity of the Corporation's reported financial performance.

While the Board is called upon to "manage or supervise the management" of the business of the Corporation by law, this is done in part by delegation through the CEO, the COO, the CFO and senior management, who are charged with the day-to-day leadership and management of the Corporation and its subsidiaries in achieving the overall objectives and policies established by the Board. The CEO's prime responsibility is to lead the Corporation. The CEO formulates strategies and policies and presents them to the Board for approval. The Board approves the strategies of the Corporation and its subsidiaries, the objectives and policies within which it is managed, and evaluates management performance. Reciprocally, the CEO keeps the Board informed of the progress of the Corporation towards the achievement of its objectives and of all potential or actual



deviations from the goals, objectives and/or policies established by the Board in a timely and candid manner. Once the Board has approved the strategies and policies, it acts in a unified and cohesive manner in supporting and guiding the CEO, the COO and the CFO.

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Subject to the *Nevada Revised Statutes* and Articles and Bylaws of the Corporation, the Board retains the responsibility for managing its own affairs, developing its own agendas and procedures and recommending Directors' compensation. Its principal duties fall into six general categories described below.

### **SELECTION OF MANAGEMENT AND DIRECTORS**

The Board has the responsibility:

- (a) For the appointment and replacement of the CEO, the COO and the CFO, for monitoring his/her performance, approving his/her compensation and providing advice and counsel to these executives in the execution of their duties; and
- (b) The Board, through the Nominating Sub-Committee of the Corporate Governance Committee, has the responsibility for reviewing the appointment and replacement of all directors.

### **MONITORING AND ACTING**

The Board has the responsibility:

- (a) To monitor the Corporation and its subsidiaries in the progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;
- (b) For the identification of the principal business opportunities and risks of the Corporation and its subsidiaries and ensuring that management takes all reasonable steps to implement appropriate systems to manage these risks;
- (c) For ensuring that management implements and takes reasonable steps to ensure the integrity of internal control procedures and management information systems;



- (d) To ratify security based compensation arrangements for eligible employees as may be granted from time to time by the Corporation's stock option plan administrator (having regard to the parameters established from time to time by the Compensation Committee); and
- (e) For implementing a system that enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances and subject to the approval of the Board or the appropriate committee of the Board.

## **POLICIES AND PROCEDURES**

The Board has the responsibility:

- (a) To approve all significant policies and procedures and require and monitor compliance to these same policies and procedures;
- (b) To take such reasonable steps necessary to ensure systems are in place which are designed to ensure the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards; and
- (c) To appoint such committees of the Board as it deems necessary.

## **REPORTING**

The Board has the responsibility:

- (a) To take such reasonable steps to ensure that the operational and financial performance of the Corporation is adequately reported to exchanges and stakeholders on a timely and regular basis;
- (b) To take such reasonable steps to ensure that the financial performance is reported fairly and in accordance with generally accepted accounting principles;
- (c) To take such reasonable steps to ensure the timely reporting to exchanges and stakeholders of any developments that have a significant and material impact on the Corporation; and



- (d) To take such reasonable steps to ensure that the Corporation has in place a policy to enable the organization to communicate effectively with the exchanges and stakeholders.

## LEGAL REQUIREMENTS

The Board has the following responsibilities:

- (a) The Board is responsible for ensuring that legal requirements have been met, and documents and records have been properly prepared, approved and corporate records properly maintained; and
- (b) The law identifies the following as legal requirements for the Board:
  - (i) To manage, supervise and assume responsibility for the management of the affairs and business of the Corporation;
  - (ii) To act honestly and in good faith and in the best interests of the Corporation;
  - (iii) To exercise the care, diligence and skill of a reasonably prudent person; and
  - (iv) To act in accordance with its obligations contained in the *Nevada Revised Statutes*, the United States *Securities Act of 1933*, the United States *Securities and Exchange Act of 1934*, the *British Columbia Securities Act*, the regulations of such recognized exchange or over-the-counter market on which the Corporation's securities may be listed, from time to time, and all such other relevant legislation and regulations including monitoring its obligations with respect to share constraint and significant interest and reporting requirements contained in the Corporation's Articles and Bylaws.