



## **BOARD OF DIRECTORS CHARTER**

### **1. PURPOSE**

- 1.1 The Board of Directors (the “**Committee**”) of Killi Ltd. (the “**Corporation**”) is elected annually by the shareholders of the Corporation to supervise the management of the business and affairs of the Corporation, in the best interests of the Corporation.

### **2. SIZE, COMPOSITION AND INDEPENDENCE**

- 2.1 The directors (individually “**Director**” or collectively “**Directors**”) shall be elected by the shareholders at the annual meeting of shareholders to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. The appointment and removal of Directors shall occur in accordance with the Corporation’s by-laws. A majority of the Board shall meet the independence requirements of applicable legislation, regulatory policies and requirements.
- 2.2 The Board should be comprised of that number of individuals which will permit the Board’s effective functioning. The Board collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight and stewardship of the Corporation’s business. All such factors will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. In maximizing the Board’s effectiveness, the Corporation takes a long-term, sustainable and measured approach. All Board appointments shall be based exclusively on merit, with the prime consideration being to maintain and enhance the Board’s overall effectiveness. The Corporation recognizes the importance of a diverse representation at key decision making points in organizations and is supportive of the requirements and the Board shall consider in identifying and nominating candidates for election or re-election.
- 2.3 The Board shall not be required to establish a limit on the number of times a Director may stand for election, but shall consider nominations for re-election in the context of seeking an optimum composition to maximize overall effectiveness.

### **3. MEETING ADMINISTRATION**

- 3.1 The Board will meet a minimum of four times per year and as needed to conduct the business of the Board. All members of the Board should strive to be at all meetings. Subject to the Corporation’s by- laws, a quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of Directors then holding office and, notwithstanding any vacancy among the number of Directors, a quorum of Directors may exercise all of the powers of the Directors.
- 3.2 The Independent Directors of the Board may meet separately, periodically, without executive management, and may request any member of executive management or the



Corporation's outside counsel or independent auditor to attend meetings of the Board or with advisors thereto.

- 3.3 Minutes shall be maintained for all meetings together with copies of materials presented at meetings and copies made available to all Board members, with the exception of special meetings of the independent Directors for which the maintenance and distribution of minutes shall be at the discretion of the Chairperson of the Board.
- 3.4 The Chairperson, in consultation with the CEO, will develop the agenda for each Board meeting. Agendas will be distributed to the Directors before each meeting, and all Directors shall be free to suggest additions to the agenda in advance of the meeting.
- 3.5 Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Directors in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it may not be prudent or appropriate to distribute written materials in advance.

#### **4. COMMITTEES**

- 4.1 The Board may delegate authority to individual Directors and committees where the Board determines it is appropriate to do so. The Board expects to accomplish a substantial amount of its work through committees and shall form at least the following committees: the Audit and Governance Committee, the Nominating Committee, and the Compensation Committee. The Board may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board, summarizing the committee's actions and any significant issues considered by the respective committee.

#### **5. ROLES AND RESPONSIBILITIES**

- 5.1 The mandate of the Directors is the stewardship of the Corporation, and their responsibilities include, without limitation to their general mandate (as outlined above under "**Purpose**"), the following specific responsibilities:
  - a) Review and approve the strategic plan and business objectives of the Corporation that are submitted by executive management and monitor the implementation by executive management of the strategic plan. During at least one meeting each year, the Board will review the Corporation's long-term strategic plans and the principal issues that the Corporation expects to face;
  - b) Review the principal strategic, reporting and compliance risks for the Corporation and oversee, with the assistance of the Board's standing committees, the implementation and monitoring of appropriate risk management systems and the monitoring of risks;



- c) Ensure the effective functioning of the Board and its committees in compliance with the corporate governance requirements of applicable laws, regulatory requirements and policies of the Canadian Securities Administrators, and that such compliance is reviewed periodically;
- d) Be responsible for the hiring and termination of the Chief Executive Officer (“CEO”), the role of the CEO and the performance review of the CEO, including the development of policies and principles for CEO selection and performance review and policies regarding succession in an emergency or upon retirement of the CEO;
- e) Ensure that the Corporation has in place a disclosure policy for effective communication with shareholders, other stakeholders and the public generally;
- f) Maintain a high standard for integrity and work ethic within the Board and management of the Corporation. The Board shall satisfy itself, to the extent feasible:
  - (i) as to the integrity of the CEO and other members of the management of the Corporation; and
  - (ii) that the CEO and executives of the Corporation create a culture of integrity throughout the organization.
- g) With the assistance of the appropriate committee:
  - (i) the enhancement of governance;
  - (ii) matters relating to compensation of the Directors;
  - (iii) matters relating to strategy, financial reporting and internal controls;
  - (iv) select nominees for election to the Board; appoint directors to fill vacancies on the Board; appoint members of the various committees of the Board; and, establish the form and amount of director compensation;
  - (v) review the composition of the Board and make sure it respects the objectives of this charter;
  - (vi) ensure that an appropriate review and selection process for new nominees as directors is in place;
  - (vii) ensure that an appropriate orientation and education program for new directors is in place;
  - (viii) adopt disclosure and securities compliance policies, including, without limiting the foregoing, communication policies of the Corporation;



- (ix) ensure internal controls and management information systems for the Corporation are adequately designed, implemented and monitored and are evaluated and reviewed periodically;
- (x) ensure the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;
- (xi) assess the performance of the Corporation's executive management, including oversight of the appropriate training, performance reviews and succession planning;
- (xii) identify the principal financial and non-financial enterprise risks of the Corporation's business and make sure that appropriate systems are in place to manage these risks;
- (xiii) review and approve significant operational and financial matters and provide direction to management on these matters;
- (xiv) review major decisions which require the approval of the Board and, where appropriate, approve such decisions as they arise;
- (xv) review, assess and update this charter as deemed appropriate by the Board; and
- (xvi) perform such other functions as prescribed by law or assigned to the Board in the by-laws of the Corporation.

## **6. REVIEW AND REVISION OF CHARTER**

- 6.1 Review annually this charter and recommend any changes, as deemed necessary.

## **7. INDEPENDENT ADVICE**

- 7.1 In discharging its mandate, the Board shall have the authority to retain, at the expense of the Corporation, special legal, accounting or other advisors as the Board determines to be necessary to permit it to carry out its duties.

## **8. ANNUAL EVALUATION**

- 8.1 Annually, or more frequently at the request of the Chairperson, as a result of legislative or regulatory changes, the Board through the Audit and Governance Committee shall, in a manner it determines to be appropriate:

- a) Perform a review and evaluation of the performance of the Board and its members and committees, including the compliance of the Board with this charter; and



- b) Review and assess the adequacy of this charter and those of its committees and make any changes the Board determines appropriate.

**9. MEASURES FOR RECEIVING FEEDBACK**

- 9.1 All publicly disseminated materials shall provide for a mechanism for feedback from the Corporation's stakeholders.