



## MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Maxim Power Corp. ("**MAXIM**") is responsible for the stewardship of MAXIM and its subsidiaries. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of MAXIM. In general terms, the Board will:

- (a) in consultation with the management of MAXIM (the "**Management**"), define the principal objectives of MAXIM;
- (b) monitor the management of the business and affairs of MAXIM with the goal of achieving MAXIM's principal objectives as defined by the Board;
- (c) discharge the duties imposed on the Board by applicable laws; and
- (d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

### **Strategic, Operating and Capital Plans and Financing Plans**

- require the Chief Executive Officer (the "**CEO**") to present annually to the Board a long-range strategic plan and a shorter range operating plan, which plans must:
  - be designed to achieve MAXIM's principal objectives; and
  - identify the principal strategic and operational opportunities and risks of MAXIM's business;
- review progress towards the achievement of the goals established in the strategic, operating and capital plans;
- ensure Management is taking all reasonable steps to identify the principal risks of MAXIM's business and to implement the appropriate systems to monitor and manage these risks;
- approve the annual operating and capital plans;
- approve all amendments or departures from established operating and capital plans;
- approve limits on Management's authority to conduct acquisitions and dispositions of assets and corporations;
- approve the establishment of credit facilities and borrowings;
- approve issuances of additional common shares or other securities; and
- establish appropriate limits of authority delegated to Management.

### **Monitoring and Acting**

- monitor MAXIM's progress towards its goals, and to revise and alter its direction through Management in light of changing circumstances;

- monitor overall human resource policies and procedures, including compensation and succession planning;
- appoint all of the officers, including the CEO, and determine the terms of employment with MAXIM of all of such officers;
- in consultation with the CEO, develop a position description for the CEO and review the adequacy of such position description on a regular basis;
- monitor and evaluate the performance of the CEO at least annually based on criteria which include the performance of MAXIM, the accomplishment of MAXIM's principal objectives and other objectives which are established at the beginning of each year;
- in consultation with the Compensation and Environment, Health and Safety Committee, approve the compensation of the CEO and of all other officers of MAXIM;
- approve the dividend policy of MAXIM;
- ensure systems are in place for the implementation and integrity of MAXIM's internal control and management information systems;
- monitor the "good corporate citizenship" of MAXIM, including compliance by MAXIM with all applicable safety, health and environmental laws;
- in consultation with the CEO, establish the code of business conduct (the "**Code**") to be observed by all officers, employees and consultants of MAXIM, and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
- review departures from the Code, disclosing departures from the Code by filing material change reports for material departures from the Code to disclose, among other things:
  - the date of the departure(s);
  - the party(ies) involved in the departure(s);
  - the reason why the Board has or has not sanctioned the departure(s); and
  - any measures the Board has taken to address or remedy the departure(s).
- require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by MAXIM and its officers, employees and consultants; and
- review, consider and where deemed appropriate, approve all matters relating to a takeover bid or other significant corporate transaction involving MAXIM.

### **Compliance Reporting and Corporate Communications**

- ensure compliance with applicable regulatory, corporate, securities and other reporting obligations of MAXIM;
- before dissemination to the public, review and approve MAXIM's financial statements and all other financial disclosure, and ensure that MAXIM's financial results are prepared and reported in compliance with applicable audit, accounting and reporting requirements;
- recommend to shareholders of MAXIM a firm of chartered accountants to be appointed as MAXIM's auditors;

- ensure the timely reporting of any change in the business, operations or capital of MAXIM that would reasonably be expected to have a significant effect on the market price or value of the common shares of MAXIM;
- establish a process for direct communications with shareholders and other stakeholders through appropriate directors, including through MAXIM's whistleblower policies; and
- ensure that MAXIM has in place a policy to enable MAXIM to communicate effectively with its shareholders and the public generally.

## **Governance**

- in consultation with the Chair of the Board, develop a position description for the Chair of the Board and review the adequacy of such position description on a regular basis;
- facilitate the continuity, effectiveness and independence of the Board by, among other things:
  - if it is determined appropriate by the Board to do so, appointing a Chair of the Board who is not a member of Management;
  - appointing from among the directors an audit committee and such other committees of the Board as the Board deems appropriate;
  - defining the mandate of each committee of the Board and the terms of reference for the chair of each committee and reviewing the adequacy of such mandates and terms of reference on a regular basis;
  - ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each director, each committee of the Board and the chair of each committee of the Board; and
  - establishing a system to enable any director to engage an outside adviser at the expense of MAXIM;
- regularly review the composition of the Board and its committees and assess directors' qualifications and performance. As necessary, propose any new members of the Board to fill vacancies which may arise;
- on a timely basis, approve the contents of MAXIM's Information Circular prepared for each year's annual shareholders meeting which sets out (i) the slate of directors proposed to be elected at the annual meeting including any proposed new members of the Board, and (ii) a confirmation as to the "independence" of a majority of the members of the Board;
- review regularly the adequacy and form of the compensation of directors to ensure that it reflects the responsibilities and risks involved in serving as a director; and
- annually, the Board will review its mandate and assess whether this mandate is being met.

## **Delegation**

- subject to applicable law, the Board may delegate its duties to and receive reports and recommendations from any committee of the Board to assist the Board in the performance of its duties.

## **Composition**

- a majority of Board members should be "independent" Directors as such term is defined in National Instrument 52-110 *Audit Committees*; and
- members should have or obtain sufficient knowledge of the nature and operation of MAXIM's business to assist in providing advice and counsel on relevant issues.

## **Meetings**

- the Board shall meet at least four times per year (regular quarterly meetings) in addition to such other additional meetings as deemed appropriate by the Chair of the Board;
- the Board shall meet at the end of its regular quarterly meetings and, if deemed appropriate by the Chair of the Board, at the end of its other meetings without members of management, including the CEO, being present;
- following each meeting, draft minutes of the meeting will be provided promptly to the Board with such minutes to be submitted for adoption at the subsequent meeting of the Board;
- Management will distribute materials for regularly scheduled meetings of the Board and committees of the Board to directors at least seven days in advance of such meetings to allow for sufficient review of the materials prior to the meeting;
- directors are expected to attend all meetings of the Board and all meetings of committees of the Board of which they are a member;
- the CEO shall be available to attend all meetings of the Board or committees of the Board upon invitation by the Board or any such committee; and
- Vice-Presidents and such other staff as appropriate to provide information to the Board or whom are appropriate to appear before the Board shall attend meetings at the invitation of the Board.

## **Reporting / Authority**

- supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any director upon request;
- the Board shall have the authority to review any corporate report or material and to investigate activity of MAXIM and to request any employees to cooperate as requested by the Board; and
- the Board may retain persons having special expertise and obtain independent professional advice to assist in fulfilling its responsibilities at the expense of MAXIM.

Approved March 16, 2017