

**CHARTER OF THE  
BOARD OF DIRECTORS**

**OF**

**POLLARD BANKNOTE LIMITED**

**(Amended by the Board of Directors on May 11, 2016)**

Last approved as to form and content May 13, 2021

## **POLLARD BANKNOTE LIMITED**

### **CHARTER OF THE BOARD OF DIRECTORS**

#### **Authority**

The Board of Directors (the “Board”) establishes the overall policies for Pollard Banknote Limited (the “Corporation”), monitors and evaluates the Corporation’s strategic direction, and retains plenary power for those functions not specifically delegated by it to its Committees or to management. Accordingly, in addition to the duties of directors pursuant to the Canada Business Corporations Act, the mandate of the Board is to supervise the management of the business and affairs of the Corporation with a view to the best interests of the Corporation. Management’s role is to conduct the day-to-day operations in a way that will meet this objective.

The Board may assign to Board committees the prior review of any issues it is responsible for.

The Board may engage outside advisors at the expense of the Corporation in order to assist the Board in the performance of its duties and set and pay the compensation for such advisors.

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation.

#### **Structure**

- Directors are elected annually by the shareholders of the Corporation and together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute the Board of Directors of the Corporation.
- The composition of the Board, including the qualification of its members, shall comply with the constituting law and charter of the Corporation as well as other applicable legislation, rules and regulations.
- The Chair of the Board shall be appointed by resolution of the Board to hold office from the time of his/her appointment until the next annual general meeting of shareholders or until his/her successors are so appointed.
- The Board shall appoint an independent director to act as ‘lead director’, to act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties.
- The Board shall meet at least four times per year and may meet more often if required.
- The Board shall meet separately without non-Board management present, as it shall determine, but at least annually.
- The provisions of the Articles and By-laws of the Corporation that regulate meetings and proceedings shall govern Board meetings.

- The Chair shall approve the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.
- The Board may invite from time to time such person as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Board.
- The minutes of the Board meetings shall accurately record the significant discussions of and decisions made by the Board and shall be distributed to the Board members, with copies to the Co-Chief Executive Officers of the Corporation.

### **Responsibilities**

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

- Reviewing and approving, at the beginning of each fiscal year, the operating and capital budget and financial goals of the Corporation as well as longer term strategic plans prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set.
- Reviewing and approving all securities continuous disclosure filings such as the Annual Report, Proxy Circular, and Annual Information Form.
- Ensuring that it is properly informed, on a timely basis, of all important issues (including environmental, cash management and business development issues) and developments involving the Corporation and its business environment.
- Identifying, with management, the principal risks of the Corporation's business and the systems put in place to manage these risks as well as monitoring, on a regular basis, the adequacy of such systems.
- Satisfying itself as to the integrity of the Co-Chief Executive Officers and other senior officers and that the Co-Chief Executive Officers and other senior officers create a culture of integrity throughout the Corporation.
- Ensuring proper succession planning (including appointing, training and monitoring senior executives).
- Reviewing and ratifying the Compensation Committee's assessment of the performance of the Co-Chief Executive Officers.
- Adopting a communication and disclosure policy for the Corporation and monitoring investor relations programs.
- Adopting and enforcing good corporate governance practices and processes.
- Ensuring the integrity of the Corporation's internal control, management information systems and financial disclosure.

- Reviewing the Board's mandate annually and recommending and implementing changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board and of its directors.