



## **BOARD OF DIRECTORS MANDATE**

**Effective as of June 10, 2019**

# **DELIVRA HEALTH BRANDS INC.**

## **BOARD MANDATE**

The board of directors (the “Board”) of Delivra Health Brands Inc. (the “Company”) is responsible for the stewardship of the Company and for the supervision of the management of the business of the Company. Directors shall exercise their business judgment in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **1. BOARD COMPOSITION**

#### **(a) Composition of the Board**

A majority of the directors on the Board, including the Chair of the Board, must be independent within the meaning of applicable securities legislation and the policies of the stock exchange(s) on which the Company’s securities are listed (collectively, “Applicable Law”).

#### **(b) Independent Directors**

Generally, an independent director means a person other than: (i) an executive officer or employee of the Company; or (ii) any other person with a direct or indirect material relationship with the Company that could reasonably be expected to affect their independent judgement.

The Board shall establish and maintain procedures and policies to ascertain director independence. No director qualifies as independent unless the Board affirmatively determines that the director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

### **2. BOARD MEETINGS**

#### **(a) Board Meeting Agenda**

The Chair of the Board will establish an agenda for each Board meeting. Each director is encouraged to suggest items of business for the agenda. The Chair will act as the effective leader of the Board and ensure that the Board’s agenda will enable the Board to successfully carry out its duties.

#### **(b) Board Materials and Presentations**

Except where not appropriate or impractical, the Company will provide directors with materials relating to agenda items and presentations in advance of Board meetings.

#### **(c) Meetings of Independent Directors**

Meetings of independent directors will be held before or after a regularly scheduled Board meeting. Meetings of independent directors may also be held as need requires or circumstances dictate. In any event, the independent directors will meet at least four times annually without non-independent directors or other members of management present.

#### **(d) Management Attendance at Board Meetings**

The Board welcomes the regular attendance of senior management of the Company at each Board meeting. The Chair or the Chief Executive Officer (the "CEO") may, with the concurrence of the Board, include independent advisors as attendees on an "as required" basis. In addition, the Board encourages directors to, from time to time, bring managers into Board meetings who: (i) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (ii) are managers with future potential that the senior management believes should be given exposure to the Board.

### **3. BOARD ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

Directors will have access, as necessary, to all members of management and employees of the Company. Directors will have access, as necessary or appropriate, to independent advisors.

### **4. BOARD ASSESSMENT**

Each year, the Board will conduct annual self-assessments to determine whether the Board, the individual directors and the committees are performing effectively. The Compensation, Nominating and Governance Committee of the Board is responsible for seeking comments from all directors and reporting to the full Board the collective assessment of the Board's performance as well as the performance of the committees and individual directors. Assessments of the Board and its committees will consider the mandate and committee charter, as the case may be. Assessments of individual directors will consider the position description and skills and competencies applicable to that individual. The full Board will discuss the assessment reports to determine what, if any, action should be taken to improve performance.

### **5. BOARD COMMITTEES**

#### **(a) Committee Structure**

The Board will have the following standing committees:

- 1) the Audit Committee; and
- 2) the Compensation, Nominating and Governance Committee.

Each committee of the Board will have a written charter that is periodically reviewed and updated as necessary. The committee chairs will report the results and recommendations of their meetings to the full Board at the next meeting of the Board following each meeting of the respective committees.

#### **(b) Committee Performance Review**

The Chair of the Board and the CEO should regularly consult with committee chairs to obtain their insights and to optimise committee performance. In accordance with Applicable Law, each committee will conduct an annual performance review of its effectiveness.

### **6. DIRECTORS**

The Board, in consultation with the Compensation, Nominating and Governance Committee, will define the criteria that all proposed candidates for election to the Board will possess.

The character of a proposed candidate must be consistent with the values and guiding principles contained in this mandate. All Board members will be expected to:

- (a) develop and maintain an understanding of the Company's operations, strategies and industry within which the Company operates;
- (b) develop and maintain an understanding of the regulatory, legislative, business, social and political environment within which the Company operates;
- (c) develop and maintain familiarity with the executive officers and senior management of the Company;
- (d) attend Board and, if applicable, committee meetings regularly;
- (e) read advance materials prior to Board or committee meetings;
- (f) participate fully and actively in the discussions of the Board and any committee to which the individual belongs;
- (g) if absent from a meeting, keep up-to-date on discussions missed;
- (h) devote the necessary time and attention to Company issues in order to make informed decisions;
- (i) actively participate as needed in Board or committee meetings;
- (j) remain knowledgeable of the written mandate of the Board and the charter of the committee or committees of which the director is a member; and
- (k) participate in continuing director education.

## **7. THE CHAIR OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER**

The Chair of the Board and the CEO are two separate positions. While both positions may be held by the same person, it is desirable that they be separate.

The Chair of the Board will be elected from the members of Board. At time of election, the candidate must have served on the Board for a period of time as the Board may consider appropriate in the circumstances. The candidate will have demonstrated during their service on the Board that they support the Board mandate, is an independent thinker, has the leadership qualities to lead the Board and has earned the respect and loyalty from the majority of the directors through open and honest communication at all times.

The performance of the CEO will be evaluated on an annual basis by the Compensation, Nominating and Governance Committee based on written objective criteria established by the Compensation, Nominating and Governance Committee, which will include reference to the financial performance of the Company, establishment and implementation of strategies, achievement of Company goals and objectives, adherence to the principles of candour, honesty and loyalty expected from a person in the position of CEO of a publicly traded company.

The compensation of the CEO will be determined by the Compensation, Nominating and Governance Committee, which committee may take into account advice from independent

compensation consultants as it may deem appropriate. The compensation of the CEO will be linked with the financial performance of the Company, the implementation of strategies and the achievement of the Company goals and objectives.

The CEO will on a regular basis review succession planning with the Compensation, Nominating and Governance Committee.

## **8. POSITION DESCRIPTIONS**

The Board will develop clear position descriptions for the Chair of the Board, the chair of each committee and the CEO. The Board will ensure that the CEO position description delineates the responsibilities of management. In consultation with the Compensation, Nominating and Governance Committee, the Board will oversee the achievement of corporate goals and objectives that the CEO is responsible for meeting.

## **9. ORIENTATION AND CONTINUING EDUCATION**

The Board will ensure that all new directors receive a comprehensive orientation which will include education regarding the role of the Board and its committees, the expectations of individual directors and the nature and operation of the Company's business. The Board will ensure that directors are provided with continuing education opportunities to enhance their skills and abilities and understanding of the Company's business.

## **10. CORPORATE GOVERNANCE AND CODE OF CONDUCT**

The principles for conducting business with integrity are contained in the Company's Code of Conduct and Ethics (the "Code"). The Code describes the conduct the Company expects from its directors, officers and employees. Each director is expected to comply with the letter and spirit of the Code and the Audit Committee will monitor compliance with the Code. The Board will ensure that the CEO and other executive officers conduct themselves with integrity and create a culture of integrity throughout the Company. The Board, in consultation with the Compensation, Nominating and Governance Committee will develop and annually re-evaluate the Company's approach to corporate governance.

## **11. STRATEGIC PLANNING**

The Board will adopt a strategic plan and, on an annual basis, re-evaluate the strategic plan. The Board may, in the exercise of its strategic planning function, utilize Company resources to the extent required and also rely on such independent strategic advisors as the Board deems appropriate.

## **12. RISK ANALYSIS**

The Board will implement a policy for assessing the business risks in each area of the Company on an ongoing basis, which must include a critical risk assessment of the Company's supply chain, technology, operations, sales and marketing, distribution and customer service.

The Board will establish a procedure for the identification and assessment of the risks and the development and implementation of the mechanisms, processes and procedures for assessing and, if necessary, changing current practices and ensure effective implementation of risk avoidance measures and systems.

### **13. SUCCESSION PLANNING**

The Board will develop a policy for the appointment, training and performance monitoring of senior management personnel. The policy will also include the identification of successors of senior management, the development, training and mentoring of the selected successors and the implementation of the appropriate retention initiatives and reward schemes to ensure that chosen successors remain loyal to the Company.

### **14. DISCLOSURE POLICY AND INSIDER TRADING POLICY**

The Board will develop a Disclosure Policy setting out the requirements, procedures and practices required under Applicable Law with respect to the timely disclosure of material information to the public. The Company will establish a Disclosure Committee responsible for overseeing the Company's disclosure practices and ensuring that all communication and information disseminated by the Company adheres to the Company's Disclosure Policy.

The Board will develop an Insider Trading Policy to ensure that the Company's directors, officers, employees and other persons in a special relationship with the Company understand and comply with their obligations under Applicable Law and the Company's policies with respect to insider trading and tipping and other transactions involving the securities of the Company.

### **15. INTERNAL CONTROLS AND MANAGEMENT INFORMATION SYSTEMS**

The Board will, in conjunction with the Company's auditors or other external advisors, establish a policy to ensure that sufficient internal controls exist to monitor the financial performance of the Company, its separate divisions and departments. The Board will ensure that management implements:

- (a) information systems that are capable of providing accurate reports relating to efficiency, productivity, cost and profitability;
- (b) internal controls relating to accounting, controlling and finance; and
- (c) a management operating system to assist with forecasting, planning, work assignment, follow-up and verification, feedback, reporting evaluation and continuous improvement.

The Audit Committee will utilize such available information to report to the Board.

### **16. REPORTING OF CONCERNS**

All stakeholders, including creditors, shareholders and employees, will be entitled to communicate any concerns about the Company's conduct or other matters directly to the Chair of the Board.

### **17. AMENDMENT**

This mandate may be amended by the Board, subject to Applicable Law.

Last reviewed and approved by the Board on June 10, 2019.