



**BOARD OF DIRECTORS CHARTER**

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### I. PURPOSE

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The Board of Directors (the “**Board**”) of Tantalus Systems Holding Inc. (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board shall act honestly and in good faith with a view to pursue the best interests of the Corporation, shall discharge its duties directly and through its various subcommittees that may exist from time to time and shall exercise the care, diligence and skill that reasonably prudent persons would exercise in comparable circumstances. The Board shall have the authority to delegate to subcommittees of the Board, provided however that the Board shall not delegate any power or authority required by any law, regulation, rule or stock exchange listing requirement to be exercised by the Board as a whole.

The composition and meetings of the Board are subject to the requirements set forth in the articles and by-laws of the Corporation, as well as in applicable laws and the rules of the TSX Venture Exchange (the “**TSXV**”) or Toronto Stock Exchange (the “**TSX**”), as is applicable. The present board of directors charter (“**Board Charter**”) is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such articles, by-laws, applicable laws and the rules of the TSXV or TSX, as is applicable.

### II. DUTIES AND RESPONSIBILITIES OF THE BOARD

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In furtherance of its purpose, the Board assumes the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable subcommittee of the Board (each, a “**Committee**”) to the full Board for approval:

#### **A. STRATEGY AND BUDGET**

1. Review and approve, as appropriate, the Corporation’s mission and business vision.

2. Ensure a strategic planning process is in place and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business.
3. Approve the Corporation's annual operating and capital budgets.
4. Review and monitor the Corporation's performance with reference to the adopted business plan and budgets.
5. Review and approve material transactions and capital investments, not in the ordinary course of business.

**B. GOVERNANCE**

1. Oversee the Corporation's policies concerning business conduct, ethics, public disclosure of material information and other matters.
2. Oversee any charitable contributions made by the Corporation that are outside of normal course of business and exceeding \$25,000.
3. Develop, adopt, implement, review and enforce the Corporation's Code of Conduct, Majority Voting Policy, Disclosure, Confidentiality and Trading Policy and Whistleblower Policy and any other policies, charters, by-laws or similar documentation covering such related matters that may be adopted by the Board from time to time, and the actions, reports and recommendations received periodically from the Audit Committee, the Governance and Nominating Committee and the Compensation Committee with respect to the conduct of the business in compliance with such policies.

**C. BOARD AND COMMITTEE MEMBERS**

1. Identify individuals qualified to become Board members, considering, among other things, the size of the Board, the industry in which the Corporation operates, companies similar to the Corporation and the competencies and skills of directors and proposed directors and the nominees for election at the next annual meeting of shareholders of the Corporation.
2. Approve the nomination of directors to the Board and its Committees, as well as:
  - a. ensure that the requisite number of the Corporation's directors have no direct or indirect material relationship with the Corporation that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and determine who, in the reasonable opinion of the Board, are "independent" in accordance with the foregoing and applicable legislation, regulations and stock exchange listing requirements (including, for greater certainty, the rules and regulations of the TSXV or TSX, as is applicable);
  - b. develop appropriate qualifications/criteria for the selection of Board members, including criteria for determining director independence; and
  - c. appoint the chair of the Board (the "**Board Chair**"), the members of each Committee and the chair of each Committee (each a "**Committee Chair**"), in consultation with the members of the relevant Committee.
3. Determine the directors' remuneration for Board and Committee service while ensuring that the Corporation's compensation policy for directors reflects realistically the time spent, responsibilities and risks involved in being an effective director.
4. Assess annually the effectiveness and contribution of the Board.

5. Identify individuals qualified to become members of the audit committee of the Board (the “**Audit Committee**”) in light of the independence, financial literacy, accounting or related financial management experience and other membership requirements set forth under applicable laws, rules, regulations and stock exchange listing requirements (including, for greater certainty, the rules and regulations of the TSXV or TSX, as is applicable).
6. Provide a comprehensive orientation program for new directors to the Board and continuing education opportunities for all directors to ensure that directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.
7. Develop written position descriptions for the Board Chair and the respective Committee Chairs of each Committee.
8. Review and discuss with each of the Committees the appropriateness of their respective charters and any changes to such charters which may be recommended by such Committee to the Board.

***D. CEO, CFO, OTHER EXECUTIVE OFFICERS AND COMPENSATION AND BENEFIT POLICIES***

1. Appoint the executive officers of the Corporation including, but not limited to, the Chief Executive Officer (the “**CEO**”) and the Chief Financial Officer (the “**CFO**”) and together with the CEO and the other executive officers, as appropriate, the “**Executive Officers**”).
2. Develop a written position description for the role of the CEO.
3. Develop the corporate goals and objectives that each Executive Officer is responsible for meeting and review the performance of each Executive Officer against such corporate goals and objectives.
4. Evaluate, in conjunction with the Compensation Committee, the performance of each Executive Officer in relation with the corporate and, as applicable, personal objectives set by the Board.
5. Approve, upon recommendation of the Compensation Committee, the Corporation’s compensation and benefits policies or any changes thereto for Executive Officers.
6. Approve, by the independent directors, all forms of compensation for the Executive Officers.
7. Ensure, upon recommendation of the Compensation Committee, that the Corporation’s compensation and benefits policies create and reinforce good conduct, ethical behaviour and promote reasonable risk taking.
8. Satisfy itself as to the integrity of the Executive Officers and senior management and that the Executive Officers and senior management create a culture of integrity throughout the organization.
9. Provide stewardship in respect of succession planning, and approve, as may be required, (i) the succession plan with respect to the positions of the Executive Officers, and (ii) the appointment, training and monitoring of the Executive Officers and senior management.

***E. RISK MANAGEMENT, CAPITAL MANAGEMENT AND INTERNAL CONTROLS***

1. Identify and assess the principal risks of the Corporation’s business, and ensure the implementation of appropriate systems to manage these risks.
2. Ensure the integrity of the Corporation’s internal control system and management information systems and the safeguarding of the Corporation’s assets.

3. Review, approve and, as required, oversee compliance with the Corporation's disclosure, confidentiality and trading policy (regarding corporate disclosure and confidentiality) (the "**Disclosure, Confidentiality and Trading Policy**") by directors, Executive Officers, other members of management and employees of the Corporation, as well as such other persons that may, from time to time, have a relationship with the Corporation.
4. Review and approve the Corporation's internal and external policies for overseeing, communicating and disseminating information with, among others, shareholders, other stakeholders, analysts and the public, the whole in accordance with the Disclosure, Confidentiality and Trading Policy.
5. Review and oversee the Corporation's internal controls over financial reporting and its disclosure controls and procedures.
6. Review and approve the Corporation's code of conduct and business ethics (the "**Code**") with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and, as required, oversee compliance with the Code by directors, Executive Officers, other members of management and employees of the Corporation, as well as such other persons that may, from time to time, have a relationship with the Corporation and reviewing any waivers or violations of such Code.

***F. FINANCIAL REPORTING, AUDITORS AND TRANSACTIONS***

1. Review and approve, as required, after they have been recommended for approval by the Audit Committee, the Corporation's annual and interim financial statements, MD&A, prospectus-type documents, earnings press releases (including financial outlook, future-oriented financial information and other forward-looking information) and other disclosure material or related financial information before such information is publicly filed in accordance with the Disclosure, Confidentiality and Trading Policy.
2. Appoint the external auditor of the Corporation (including compensation and the terms and review of their engagement), based on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Corporation, as well as remove the external auditor of the Corporation as the case may be.
3. As appropriate, establish appropriate limits on the authority delegated to the Executive Officers and other members of management of the Corporation to manage the business and affairs of the Corporation.

***G. LEGAL REQUIREMENTS AND DIALOGUE WITH STAKEHOLDERS***

1. Oversee the adequacy of the Corporation's processes to ensure compliance by the Corporation with applicable legal and regulatory requirements.
2. Establish appropriate measures for receiving feedback from stakeholders.

***H. OTHER***

1. Review, approve and, as required, oversee, with the assistance of the Nominating and Governance Committee, the compliance with the Corporation's environmental, social, health and safety, governance and ethics policies and guidelines that may be established by the Board, from time to time, by the Corporation's directors, Executive Officers, other members of management and employees of the Corporation, as well as such other persons that may, from time to time, have a relationship with the Corporation.

2. Perform any other function as prescribed by law or as not delegated by the Board to one of the Committees or to management of the Corporation.

### III. **BOARD CHAIR**

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#### **A. APPOINTMENT OF THE BOARD CHAIR**

The Board shall annually appoint the Board Chair from among the Corporation's directors following the annual meeting of shareholders of the Corporation.

#### **B. DUTIES AND RESPONSIBILITIES OF THE BOARD CHAIR**

The Board Chair leads the Board in all aspects of its work and is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and functions efficiently.

More specifically, the Board Chair shall, in addition to any responsibilities that may be attributed to him/her pursuant to a written position description established for the Board Chair, with respect to:

1. Strategy
  - a. provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in this Board Charter and as otherwise may be appropriate; and
  - b. work with the Executive Officers to monitor progress on the business plan, annual budgets, policy implementation and succession planning.
2. Board structure and management
  - a. chair the meetings of the Board;
  - b. in consultation with the Executive Officers, the corporate secretary of the Corporation (or such other individual or Executive Officer serving in such capacity) (the "**Corporate Secretary**") and the relevant Committee Chairs, as appropriate, determine the frequency, dates and locations of the meetings of (i) the Board, (ii) the Committees, and (iii) the shareholders of the Corporation;
  - c. in consultation with the Executive Officers and the Corporate Secretary, review the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities;
  - d. ensure the Board has the opportunity, if and when required, to meet separately without non-independent directors and members of management of the Corporation present;
  - e. ensure, in consultation with the relevant Committee Chairs, that all items requiring Board and Committee approval are appropriately tabled;
  - f. ensure the proper flow of information to the Board and review, with the Executive Officers and the Corporate Secretary, the adequacy and timing of materials in support of management's proposals;
  - g. in conjunction with the relevant Committee (and Committee Chairs), review and assess the directors' meeting attendance records and the effectiveness and performance of the Board, the Committees (and their respective Committee Chairs) and individual directors;

- h. ensure that the Board works in a cohesive manner and enable open communication among its members; and
    - i. ensure that the Board is provided with the resources, including external advisers and consultants to the Board as considered appropriate, to permit it to carry out its responsibilities and bring to the attention of the Board Chair and the CEO any issues that are preventing the Board from being able to carry out its responsibilities.
- 3. Shareholders
  - a. chair the annual and any special meeting of the shareholders of the Corporation; and
  - b. ensure that all business that is required to be brought before a meeting of shareholders of the Corporation is brought before such meeting.

#### **IV. EVALUATION OF THE BOARD**

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The Board shall, on an annual basis, evaluate and review its performance as a whole, while taking into account this Board Charter.

The Board shall, from time to time, as it deems appropriate, evaluate and review the performance of each individual director, Committee and Committee Chairs while taking into account: (i) in the case of an individual director, the competencies and skills each individual director is expected to contribute to the Board, (ii) in the case of the Committees as a whole, the relevant committee charter or policy, and (iii) in the case of Committee Chairs, the applicable position description(s).

#### **V. OUTSIDE ADVISORS**

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The Board shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Board in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Board.

#### **VI. MEMBERSHIP**

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The majority of the directors shall, pursuant to applicable laws, rules, regulations and stock exchange listing requirements (including, for greater certainty, the rules and regulations of the TSXV or TSX, as is applicable): (i) meet the independence requirements; and (ii) have the required experience and qualifications as determined by the Board from time to time.

#### **VII. PROCEDURES FOR MEETINGS**

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The Board shall fix its own procedure at meetings and for the calling of meetings. Meetings of the Board will be held quarterly, or more frequently, as required. Independent directors may meet before or after each Board meeting or more often if required. The independent directors shall decide, at each Board meeting, whether an *in camera* meeting without the non-independent directors and management present, as applicable, is appropriate at such meeting.

The Board may invite any of the Corporation's officers, employees, advisors or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

Directors are expected to attend all meetings of the Board and of the Committees (if applicable) and review, in advance, the meeting materials.

The proceedings and deliberations of the Board and the Committees are confidential. Each director shall maintain, at all times, the confidentiality of all information received in his or her capacity as a director of the Corporation.

## VIII. **QUORUM AND VOTING**

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The majority of the Board shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Board Chair is absent, the Board will, by majority vote, select another director to preside the meeting. At a duly convened meeting, any question shall be decided by a majority of the votes cast.

## IX. **SECRETARY**

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Unless otherwise determined by resolution of the Board, the Corporate Secretary or his/her delegate shall act as the secretary of the Board and shall be tasked with taking minutes of the meetings of the Board and do such other things as may be requested by the Board, from time to time.

## X. **RECORDS**

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The Board shall keep such records as it may deem necessary of its proceedings.

## XI. **REVIEW OF CHARTER**

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The Board shall review and assess the adequacy of this Board Charter at least every three years and at such other times as it considers appropriate, and shall make such changes to this Board Charter as it considers necessary or appropriate.