



**GUARDIAN CAPITAL**

**GUARDIAN CAPITAL GROUP LIMITED**

**CHARTER OF THE BOARD OF DIRECTORS**

**May 12, 2016**

**GUARDIAN CAPITAL GROUP LIMITED**  
(the “Corporation”)

**BOARD OF DIRECTORS CHARTER**

The Board of Directors (the “Board”) is responsible for the stewardship of the Corporation including overseeing the conduct of the business and affairs of the Corporation and striving to ensure the Corporation maintains the high values of stability, trustworthiness and integrity by which it has always been guided. The Board is not responsible for the day to day management and operation of the Corporation’s business. The Board shall perform such duties as may be required under the Business Corporation Act (Ontario) (the “Act”), requirements of the stock exchanges on which the securities of the Corporation are listed and all other applicable laws and regulations.

**BOARD SIZE AND COMPOSITION**

Subject to the Articles of the Corporation and the Act, the common shareholders shall annually elect members of the Board for a one-year term. The composition of the Board will comply with the following:

- The Board shall be composed of a minimum of 3 members and maximum of 12 members.
- The Board shall appoint one member as the Chair of the Board and may at any time remove such person as Chair.
- The majority of the Board must be independent according to applicable laws and rules, if any, of applicable stock exchanges.
- New members may be appointed by the Board between annual meetings to fill a vacancy in accordance with the applicable laws. However, where the number of members of which the Board is composed is increased, the vacancy or vacancies resulting from such increase shall only be filled by election at a general meeting of the shareholders duly called for that purpose.

**COMMITTEES**

The Board may establish committees and the Chairs of such Committees and delegate specific areas of the Board’s responsibilities to its committees. The Board has currently established three committees: the Audit Committee, the Governance Committee and the Compensation Committee. In addition, the Board may establish *ad hoc* committees as may be needed from time to time to address other issues. Subject to applicable law, the Board may merge or dispose of any Board Committee and remove the Chair of such Committees. As determined by the applicable Committee from time to time, at any regularly scheduled or special Committee meeting, a private meeting may be held at which non-independent directors and members of management are not present.

Each Committee has its own written mandate. Members of these Committees shall be independent to the extent required by applicable laws and rules, if any, of applicable stock exchanges. Each Committee shall have a majority of, or be comprised entirely of, independent directors. The Chair of the Board has a standing invitation to attend meetings of each Committee and is an *ex officio* member of each Committee of which he is not a member. Additionally, a Committee may invite to its meetings any director, member of management of the Corporation or such other persons as it deems appropriate to carry out its responsibilities. Each Committee shall establish its own procedures, including its time and place of meeting and shall ensure that minutes of Committee meetings are kept.

In order to perform its duties, each Committee shall have access to relevant books and records of the Corporation and be able to discuss matters arising therefrom with senior officers of the Corporation. A Committee may call a meeting of the directors of the Corporation to consider any material matter of concern to the Committee.

The Committees have the authority:

- to engage (at the expense of the Corporation), independent counsel and other advisors as they determine necessary to carry out their duties; and
- to set the terms of engagement including the compensation for any advisors employed by the Committees.

## **MEETINGS**

The Board shall meet at least quarterly. The Board shall approve by resolution, in advance of each calendar year, a schedule of regular meeting dates for the upcoming calendar year. Additionally, meetings of the Board may be convened from time to time at such place, at such time and on such day as the Chair, the President and Chief Executive Officer or any two members of the Board may determine.

No business of the Corporation shall be transacted at a meeting of the Board unless a quorum of the Board is present (in person or by electronic communication) and the majority of the directors present are resident Canadians. A quorum of the Board is defined as:

- a majority of the number of Board members; and
- of the Board members present, the majority must be independent directors.

Notice of the time and place of every meeting shall be given in writing or telephone or other electronic means to each member of the Board. The notice to be given is at least two days prior to the time fixed for the meeting. A member may waive notice of a meeting at any time.

When present, the Chair of the Board shall preside over meetings of the Board. In the absence of the Chair of the Board, the President and Chief Executive Officer of the Corporation shall preside over such meetings.

The independent directors of the Board can conduct part of any meeting in the absence of management. At each regularly scheduled and each special Board meeting, the independent directors will hold a private meeting at which non-independent directors and members of management are not present. Any independent director may make a request to the Chairman for any part of a Board meeting to be held without management present.

The Board authorizes the Committees of the Board to conduct such meetings as the Committees may determine

### **RETENTION OF ADVISORS**

The Board, or an appropriate Committee selected by the Board, shall review any request from an individual director to engage an outside advisor at the expense of the Corporation.

### **ACCESS TO OFFICERS AND EMPLOYEES**

In discharging its duties and responsibilities in connection with any meeting of the Board or of any Committee, the Board shall have access to the employees and management of the Corporation or its affiliates and may invite officers, directors or any other person to attend meetings of the Board, or a Committee, to assist in the discussion and examination of the matters being considered by the Board or Committee. The Board will coordinate these efforts with the President and Chief Executive Officer of the Corporation.

### **BOARD RESPONSIBILITY**

The Board recognizes that it is responsible for the stewardship of the Corporation, including the following matters which the Board or, subject to the Act, an appropriate Committee delegated by the Board, shall review and/or adopt or approve:

#### **Corporate Goals and Strategy**

- Review with management and approve the strategic plans and any transactions having a significant impact on the strategic plans, and review with management how the strategic environment is changing, what risks and opportunities are appearing and how they are being or to be managed.
- Monitoring the implementation of, and performance against, the Corporation's approved strategic plans.

#### **Enterprise Risk Management**

- Review reports provided by management of principal risks associated with the Corporation's business; review the implementation by management of appropriate systems

to manage these risks; and review reports by management relating to any deficiencies in these systems.

### **Integrity, Ethics and Corporate Governance**

- To the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers reflect the high values of the Corporation and create a culture of stability, trustworthiness and integrity throughout the organization.
- Monitor to establish confidence that the affairs of the Corporation are conducted in an ethical and moral manner.
- Adopt a code of business conduct and ethics for the Corporation that governs the behaviour of all directors, officers and employees of the Corporation and monitor compliance with such code.
- Develop and monitor the Corporation's corporate governance principles and guidelines and evaluate its practices with regard to their conformity with the Act.

### **Financial Reporting and Internal Controls**

- Review and approve such continuous and material disclosure documents as may be required in conformity with the Act, or as determined by the Board from time to time.
- Review and approve material investments and transactions and review related party transactions.
- Monitor the integrity of the Corporation's internal control procedures and management information systems to manage the Corporation's key business risks.
- Monitor the audit process and the integrity of the Corporation's financial reporting.
- Oversee the qualification and independence of the Corporation's external auditor, including approving the terms of their audit and non-audit engagements, and assessing their performance.
- Review and approve the declaration of any dividends.

### **Communications**

- Review and approve a disclosure policy which includes standards for: communicating with shareholders and analysts, approval of all material disclosures, and ensuring accurate and timely public disclosure that meets all applicable legal and regulatory requirements and guidelines.
- Determine and monitor the process for receiving communications from stakeholders.

### **Human Resources and Performance Assessment**

- Appoint the Chief Executive Officer and monitor the performance of the CEO and all other senior executive officers and approve their compensation.
- Develop position descriptions for the Chairman of the Board and the Chair of each Board Committee.
- Develop, together with the Chief Executive Officer, a clear position description for the Chief Executive Officer and develop or approve the corporate goals and objectives that the Chief Executive Officer is responsible for meeting.
- Approve share ownership plans, stock option grant and share ownership guidelines, and the issuance of stock options or shares or similar share units, whether deferred or restricted.
- Review and discuss the management succession plan and approve the CEO Succession Plan.
- Determine the remuneration for members of the Board, for the participation of members on any Committee or for the carrying out of the duties of a Chair of a Committee.

### **Evaluation of the Board**

- Assess the effectiveness and the contribution of the Board, its Committees, and individual directors.
- Periodically complete a review of the Board's compliance with this Charter.

### **Board and Committee Charters**

- Approve the charters of the Board and each of its Committees.

### **Nomination of Directors**

- Develop appropriate criteria for membership on the Board having regard to: diversity of background, competencies and skills relative to the strategic businesses of the Corporation; and consideration of the appropriate size of the Board, with a view to facilitating effective decision-making.

### **Director Orientation and Education**

- Develop appropriate program for orienting new directors and continuing education for all directors.

### **Reporting from Committees**

- Review reports from the Chairs of Committees on the matters dealt with by the Committees, and consider recommendations on the specific matters delegated for review by the Committees.

This Charter is intended to assist the Board in fulfilling its responsibilities; however, nothing in this Charter is intended to expand applicable standards of liability under statutory and regulatory requirements for the directors of the Corporation.

Approved by the Board of Directors on May 12, 2016.



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