

**BOARD MANDATE  
PIVOT TECHNOLOGY SOLUTIONS, INC.**

---

To the directors of Pivot Technology Solutions, Inc. (the "Corporation"):

**1. GENERAL**

The fundamental responsibility of the Board of Directors (the "Board") is to supervise the management of the business and affairs of the Corporation.

The Board has adopted this Mandate, which reflects the Corporation's commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of the Corporation.

The Board believes that sound corporate governance practices are essential to the wellbeing of the Corporation and the promotion and protection of its shareholders' interests. The Board oversees the functioning of the Corporation's governance system, in part through the work of the Compensation, Corporate Governance and Nominating Committee.

The Board promotes fair reporting, including financial reporting, to shareholders of the Corporation and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that the Corporation is best served by a Board that functions independently of management and is informed and engaged.

The Compensation, Corporate Governance and Nominating Committee will review this Mandate annually, or more often if warranted, and recommend to the Board such changes as it deems necessary and appropriate in light of the Corporation's needs and legal and regulatory developments.

**2. BOARD COMPOSITION**

*(a) Board Membership Criteria*

The Compensation, Corporate Governance and Nominating Committee is responsible for establishing the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; the competencies and skills that the Board considers each existing director to possess; and the competencies and skills each new candidate to be elected or appointed by shareholders will bring to the Board.

The Compensation, Corporate Governance and Nominating Committee recommends Board members for nomination. In making its recommendations, the Compensation, Corporate Governance and Nominating Committee focuses on the competencies, skills, and personal qualities of the candidates as well as the business experience that the candidates possess to

enhance the Board's decision-making process and overall management of the business and affairs of the Corporation.

Directors must have sufficient time to carry out their duties and not assume responsibilities which would materially interfere with or be incompatible with Board membership. Directors who change their principal occupation are expected to advise the Compensation, Corporate Governance and Nominating Committee and, if determined appropriate by the Compensation, Corporate Governance and Nominating Committee, resign from the Board.

*(b) Director Independence*

The Board's composition and procedures are designed to permit it to function independently from management and to promote and protect the interests of all shareholders.

The Board will determine whether a director is an "Independent Director", within the meaning of Part I of Multilateral Instrument 52-110. The Board will review the independence of all directors on an annual basis. To facilitate this review, directors will be asked to provide the Board with full information regarding their business and other relationships with the Corporation and its affiliates, with senior management and their affiliates. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

*(c) Board Size*

The current Board is comprised of seven directors and the Board considers this to be an appropriate size for effective decision-making and Committee work given the nature of the operations of the Corporation and its subsidiaries and its current ownership. The Board has been given the authority by shareholders to increase the Board size to up to eleven directors.

*(d) Quorum*

Subject to the *Business Corporations Act* (Ontario) and the Corporation's by-laws, the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors then in office or such greater number of directors as the board may from time to time determine by resolution.

*(e) Term*

Directors are generally elected at the annual meeting of shareholders of the Corporation for a term expiring at the close of the next annual meeting of shareholders. The Board does not believe it should establish term limits or mandatory retirement ages for its members as such limits may deprive the Corporation and its shareholders of the contributions of members who have been able to develop, over time, valuable insights into the Corporation, its strategy and business operations.

*(f) Board Succession*

The Compensation, Corporate Governance and Nominating Committee is responsible for maintaining a Board succession plan that is responsive to the Corporation's needs and the interests of its shareholders.

*(g) Service on Other Boards and Committees*

The Board does not believe that its members should be prohibited from serving as a director or in a similar position for a government agency or an outside entity, so long as these commitments do not create a conflict of interest or interfere with a director's ability to fulfill his or her duties as a member of the Board. Directors must be mindful of the number of other public company boards and committees of those boards on which they serve, taking into account potential board and committee attendance, participation and effectiveness on those boards and committees.

On or before accepting an appointment to the board or a committee of any entity, a director should advise the Chairman of the Board.

### **3. DIRECTORS' RESPONSIBILITIES**

Directors must act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In order to fulfill their responsibilities, each director is expected to:

- (a) participate, with management, in developing a multi-year strategic plan and annual business plans and approve such plans;
- (b) develop and maintain a thorough understanding of the Corporation's operational and financial objectives, financial position and performance and the performance of the Corporation relative to its principal competitors;
- (c) ensure that the Corporation's activities are at all times conducted in accordance with the purpose of the Corporation, its strategic plan and operating policies;
- (d) diligently prepare for each meeting, including reviewing all meeting materials distributed in advance;
- (e) actively and constructively participate in each meeting, including seeking clarification from management and outside advisors where necessary to fully understand the issues under consideration;
- (f) engage in continuing education programs for directors, as appropriate; and
- (g) diligently attend meetings of the Board and any Committee of which he or she is a member.

#### 4. **BOARD DUTIES AND RESPONSIBILITIES**

In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

(a) *Shareholder and Governance Matters*

The Board will be responsible for dealing with the following matters:

- (i) approval of submission of matters or questions requiring the approval of shareholders;
- (ii) approval of the submission to the shareholders of any amendment to the articles of the Corporation or the approval of any adoption, amendment or repeal of any by-laws of the Corporation;
- (iii) recommendation of candidates for election or appointment to the Board, including the review of nominations recommended by shareholders;
- (iv) adoption of corporate governance guidelines or principles applicable to the Corporation, including with respect to the size and composition of the Board, the criteria to be utilized for the identification of individuals qualified to be selected as directors, the responsibilities, compensation and tenure of directors, and the assessment of the performance of the Board, its committees and directors;
- (v) determination of the "independence" of directors and Audit Committee members and of the "financial literacy" of Audit Committee members;
- (vi) adoption of a process for shareholders and other interested parties to communicate directly with the Board and with individual directors, as appropriate; and
- (vii) establishment of the Compensation, Corporate Governance and Nominating Committee, whose role will be to develop and implement an appropriate system of corporate governance, including practices to facilitate the Board's independence.

(b) *Appointment and Supervision of Chief Executive Officer and Senior Management*

The Board will:

- (i) to the extent permitted by applicable law, delegate to senior management responsibility for the day-to-day operations of the Corporation.
- (ii) to the extent feasible, satisfy itself as to the integrity of the CEO and the CFO and that the CEO and the CFO create a culture of integrity throughout the Corporation.
- (iii) be responsible for the adoption of processes for succession planning, the periodic review of succession plans for key members of senior management (including the

CEO), and the appointment and monitoring the performance and compensation of senior management, including officers, of the Corporation.

- (iv) approve the annual or semi-annual goals and objectives of the Corporation and the CEO, and the assessment of the performance of the Corporation and the CEO against the approved objectives.

*(c) Strategic Planning and Risk Management*

The Board will develop with management business plans with measurable performance indicators and will approve such plans. In this regard, the Board will:

- (i) review and approve on an annual basis a business and strategic plan developed with management that includes rigorous but realistic goals;
- (ii) approve business and operational policies within which management will operate in relation to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management, human resources, internal controls over financial reporting, disclosure controls and management information systems;
- (iii) set annual corporate and management performance targets consistent with the Corporation's strategic plan;
- (iv) confirm that a system is in place intended to identify the principal risks facing the Corporation and its subsidiaries and their businesses and that appropriate procedures are in place to monitor and mitigate such risks, including the oversight of the management of environmental risks and practices; and
- (v) confirm that processes are in place intended to address and comply with applicable legal, regulatory, corporate, securities and other compliance matters.

*(d) Financial Reporting and Management*

The Board will:

- (i) oversee the reliability and integrity of accounting principles and practices followed by management, financial statements and other financial reporting, and disclosure principles and practices followed by management;
- (ii) review the qualifications and independence of the independent auditors of the Corporation and approve the terms of their audit and non-audit service engagements as required in accordance with applicable laws and the requirements of any stock exchanges on which the Corporation lists its securities and of securities regulatory authorities, as adopted or amended and in force from time to time, assess the

performance of the independent auditors, fill vacancies in the office of the independent auditor between shareholders' meetings, and recommend the annual appointment or, if appropriate, the removal, of the independent auditors of the Corporation to the shareholders of the Corporation for their approval in accordance with applicable laws;

- (iii) approve the Corporation's annual and interim consolidated financial statements and related management's discussion and analysis;
- (iv) approve annual operating and capital budgets;
- (v) review the integrity of the Corporation's internal controls over financial reporting and management information systems; and
- (vi) review operating and financial performance results relative to established strategies, plans, budgets and objectives.

(e) *Disclosure*

The Board will:

- (i) cause appropriate policies and procedures to be established regarding public disclosure, communications and restricted trading by insiders. In this regard, the Board will cause a designated committee of the Board to develop, adopt and periodically review a written disclosure and insider trading policy; and
- (ii) adopt and monitor compliance with the Code of Business Conduct and Ethics adopted by the Corporation from time to time and the granting of any waivers in respect of compliance with the Code of Business Conduct and Ethics in accordance with the applicable requirements, if any, of the stock exchanges on which the Corporation lists its securities and securities regulatory authorities, as adopted or amended and in force from time to time.

(f) *Approval of Certain Other Matters*

Notwithstanding the delegation to management of the authority to manage the business of the Corporation, Board approval must be obtained for the following:

- (i) any material departure from an established strategy, operating or capital budget or policy approved by the Board;
- (ii) material financings, customer financings, acquisitions, dispositions, investments and other material transactions not in the ordinary course of business and/or in excess of the limits prescribed from time to time by the Board;

- (iii) the authorization of the issuance of securities of the Corporation as required in accordance with applicable laws;
- (iv) the declaration of dividends on shares of the Corporation or the approval of the purchase, redemption or other acquisition of shares issued by the Corporation as required in accordance with applicable laws;
- (v) the entering into of any agreement or transaction the performance of which could result in an actual or contingent liability that would be material to the Corporation; and
- (vi) such other matters as the Board may, from time to time, determine require its approval.

## 5. CHAIR

### *(a) Appointment*

The Board will each year elect one director to be Chair of the Board.

### *(b) General*

The Chair of the Board is responsible for the management, development and effective performance of the directors, and for providing leadership to the directors in carrying out their collective responsibility for supervising the management of the business and affairs of the Corporation.

### *(c) Specific Role and Responsibilities.*

The Chair will use his or her best efforts to:

- (i) ensure that appropriate procedures are in place to allow the Board to work effectively and efficiently and to function independently of management;
- (ii) ensure that the responsibilities of the Board are understood by both the directors and management and that the boundaries between the Board's and management's responsibilities are understood and respected;
- (iii) ensure the responsibilities of the directors are effectively carried out in compliance with this Mandate and that the functions of the Board delegated to Committees are carried out by the Committees and reported to the Board;
- (iv) maintain an effective relationship between the Board and management of the Corporation;

- (v) provide direction and advice to management, including defining major issues, maintaining accountability to stakeholders and building relationships;
- (vi) ensure that the Board and the Committees have the necessary resources to support their work (in particular, timely and relevant information);
- (vii) ensure compliance with the Corporation's governance policies, including those regarding regularity and conduct of Board meetings, managing and reporting information and other policies relating to the Board's business;
- (viii) provide leadership to ensure that the Board works as a cohesive team;
- (ix) require the Board to meet as many times as necessary for the directors to carry out their duties and responsibilities effectively;
- (x) on an ongoing basis, work with the CEO to develop schedules of meetings of the Board and Committees and, in consultation with other directors and senior management, establish the agenda of the Board;
- (xi) chair meetings of the Board, including requiring appropriate briefing materials to be delivered in a timely fashion, stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and ensuring that clarity regarding decisions is reached and duly recorded;
- (xii) chair meetings of the shareholders of the Corporation;
- (xiii) work closely with the CEO to ensure that the Corporation is building a healthy corporate governance culture;
- (xiv) work closely with the Compensation, Corporate Governance and Nominating Committee to develop strategic criteria for recruitment of directors and succession planning;
- (xv) work closely with the CEO to ensure effective relations with the Board and external stakeholders, such as shareholders, the investment community, the media, governments and the public generally;
- (xvi) ensure that functions are delegated to appropriate Committees and that the functions are carried out and the results reported to the Board;
- (xvii) actively participate in and oversee the administration of an annual evaluation of the performance and effectiveness of the CEO, Board, Committees, and all individual directors and Committee Chairs; and
- (xviii) carry out other duties as requested by the directors, as needs and circumstances arise.



## 6. BOARD COMMITTEES

### *(a) General*

The Board carries out its responsibilities directly and through the Audit Committee and the Compensation, Corporate Governance and Nominating Committee and such other Committees as it may establish from time to time.

### *(b) Committee Chairs*

Each Committee will appoint one member who is qualified for such purpose to be Chair of each Committee, to serve until the next annual election of directors or otherwise until his or her successor is duly appointed. If, following the election of directors in any year, the Board does not appoint a Chair of each Committee, the incumbent Chair will continue in office until a successor is appointed.

The Chair will use his or her best efforts to:

- (i) in consultation with the Chair of the Board, the CEO, the CFO and the Committee members, as appropriate, determine the time and location of meetings of the Committee;
- (ii) ensure the Committee's activities are consistent with, and fulfill, the Committee's Charter;
- (iii) take all reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible;
- (v) in consultation with the Chair of the Board, Committee members, the CEO and the CFO as appropriate, review the meeting agendas to ensure all required business is brought before the Committee to enable the Committee to carry out its responsibilities;
- (vi) with the assistance of the CEO and the CFO, ensure that agenda items for all Committee meetings are ready for presentation and that adequate information is distributed to Committee members in advance of such meetings in order that Committee members may properly inform themselves on matters to be acted upon;
- (vii) ensure that minutes are kept of all meetings and sign minutes approved by the Committee;
- (viii) report to the Board at its next meeting following any decision or recommendation arising from any meeting of the Committee or the signing of a written resolution evidencing a decision or recommendation of the Committee, including reporting on the considerations that led to such decision or recommendation;

- (ix) provide leadership to enable the Committee to act as an effective team in carrying out its responsibilities; and
- (x) act as liaison between the Board and the Committee and between management and the Committee and also act as liaison with outside advisors to the Committee.

(c) *Charters*

Each Committee is empowered to adopt a Charter which sets out its responsibilities and duties, qualifications for membership procedures for Committee member appointment and removal and reporting to the Board. On an annual basis, each Committee's Charter will be reviewed by both the Committee itself and the Compensation, Corporate Governance and Nominating Committee, and then reviewed and approved by the Board.

## 7. BOARD AND COMMITTEE MEETINGS

(a) *Scheduling*

Board meetings are scheduled in advance at appropriate intervals throughout the year, which will be not less than quarterly. In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of the Corporation.

Each Committee shall meet as often as it determines is necessary to fulfill its responsibilities, which will be not less than quarterly.

(b) *Agenda*

The Chair establishes the agenda for each Board meeting in consultation with the other directors and the CEO. Any director may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Committee Chairs establish the agenda for each Committee meeting. Any Committee member may propose the inclusion of items on the agenda, request the presence of or a report by any member of management, or at any Committee meeting raise subjects that are not on the agenda for the meeting.

An officer of the Corporation will distribute an agenda and meeting materials in advance of each Board or Committee meeting to allow Board or Committee members, as the case may be, sufficient time to review and consider the matters to be discussed.

*(c) Meetings of Independent Directors*

To promote open discussion among the Independent Directors, those directors shall meet separately at least quarterly, at regularly scheduled Board meetings without non-independent directors and management present and will meet at such other time as any Independent Director may request. The Independent Directors shall elect a chair for each of these meetings, who shall inform senior management of the substance of these meetings to the extent that action is required by them.

*(d) Distribution of Information*

Information that is important to the Board's understanding of the business and its agenda is distributed to directors sufficiently in advance of Board meetings to permit the directors adequate time to consider the material and ask questions of management as appropriate. Sensitive subject matters may be discussed at a meeting without written materials being distributed in advance or at the meeting.

*(e) Preparation, Attendance and Participation*

Each director is expected to be diligent in attending meetings of the Board and any Committee of which he or she is a member. In addition, each director is expected to attend each annual meeting of shareholders. A director who is unable to attend a Board or Committee meeting in person may participate by telephone or teleconference.

*(f) Attendance of Non-Directors at Board Meetings*

The CFO and the Secretary of the Corporation are expected to attend Board meetings. The CEO, at his or her discretion, may invite other employees, advisors or consultants to attend the Board meetings for the purpose of making presentations or otherwise providing advice to the Board. The Chair, at his or her discretion, may also invite employees of the Corporation, consultants, advisors or others, as appropriate to attend Board meetings.

*(g) Procedures*

Procedures for Board meetings are determined by the Chair unless otherwise determined by a resolution of the Board.

Procedures for Committee meetings are determined by the Chair of the Committee unless otherwise determined by a resolution of the Committee or the Board.

## **8. COMPENSATION OF DIRECTORS**

The Compensation, Corporate Governance and Nominating Committee has the responsibility for recommending to the Board compensation and benefits for service on the Board and on Board Committees by directors. In discharging this duty, the Compensation, Corporate Governance and Nominating Committee will be guided by three goals: compensation should fairly pay

directors for work required in an issuer of the Corporation's size and scope; it should not exceed what is customary given the size and scope of the Corporation's business and operations; compensation should align directors' interests with the long-term interests of shareholders, and the structure of the compensation should be simple, transparent and easy for shareholders to understand. Not less often than annually, the Compensation, Corporate Governance and Nominating Committee shall review director compensation and benefits and recommend any changes to the Board.

## **9. BOARD ACCESS TO MANAGEMENT, OUTSIDE COUNSEL AND ADVISORS**

The Board has complete access to members of management and the Corporation's outside counsel and auditors. It is the obligation of each director to use judgment to ensure that such contact is not distracting to the business operations of the Corporation and that, except as may be inappropriate, the CEO is advised of all such retainers. The Board and its Committees may invite any member of management, employee, outside advisor or other person to attend any of their meetings.

The Board and any of its Committees may retain an outside advisor at the expense of the Corporation at any time and have the authority to determine the advisor's fees and other retention terms. Individual directors may retain an outside advisor at the expense of the Corporation with the approval of the Compensation, Corporate Governance and Nominating Committee.

## **10. PERFORMANCE ASSESSMENT OF THE BOARD AND ITS COMMITTEES**

The Compensation, Corporate Governance and Nominating Committee annually reviews the effectiveness of the Board and its Committees in fulfilling their responsibilities and duties.

In addition, the Compensation, Corporate Governance and Nominating Committee evaluates individual directors to assess their suitability for nomination for re-election or re-appointment.

## **11. CODE OF BUSINESS CONDUCT AND ETHICS**

The Corporation is bound by and operates pursuant to a Code of Business Conduct and Ethics. The purpose of this document is to ensure that the Corporation maintains a high level of trust and integrity in accordance with the highest ethical standards.

## **12. MANAGEMENT**

Management is responsible, on a shared basis with the Board, for developing strategy, and directly responsible for implementing strategy. Management is also responsible for safeguarding the Corporation's assets and for creating wealth for shareholders. When management performance is inadequate, the Board has the responsibility to bring about appropriate change, and when management performance is effective, the Board will reward management accordingly.

The Corporation's governance guidelines are designed to create autonomy and effective decision-making of management, and to ensure appropriate oversight by the Board and the Board's Committees. Senior management, through the CEO, reports to and is accountable to the Board.

The Board, in consultation with the Compensation, Corporate Governance and Nominating Committee, maintains a succession plan for the CEO and establishes objectives against which performance is bench-marked.

Compensation is assessed against objectives which are established. Similar reviews and assessments are undertaken for other members of senior management in consultation with the CEO.

Adopted by the Board on March , 2013.