

**GABY INC.**  
(the “Company”)

**Charter of the Board of Directors**

This Charter sets out:

1. The duties and responsibilities of the Board of Directors (the “Board”);
2. The position description for Directors;
3. The position description for the Lead Director;
4. The position description for Chairs of Board Committees; and
5. The corporate governance practices and policies that apply to the Board.

**Mission**

The mission of the Board is to be a strategic asset of the organization measured by the effective execution of its overall stewardship role and the contribution the Directors make, both individually and collectively, to the long-term success of the enterprise.

**Membership**

The by-laws provide for the Board to have a minimum of three and a maximum of nine Directors. Each Director shall possess the attributes set out in the Position Description for Directors.

**Structure and Operations**

A schedule of regular Board and Committee meetings will be agreed upon by the Governance and Nominating Committee and circulated to the Directors prior to the commencement of a calendar year. Confirmation of the date, time and place of regular meetings will be sent to the Directors approximately three weeks in advance of regularly scheduled meetings. Special meetings may be called with 24 hours’ notice.

A quorum at any meeting of the Board shall be a majority of Directors. At each meeting of the Board, the independent Directors will hold an in-camera meeting both with and without the Chair of the Board and Chief Executive Officer.

On an annual basis, the Board will review this Charter and approve changes as necessary. This Charter will be posted on the Company’s website.

**1. Duties and Responsibilities of the Board**

The Board is responsible for supervising the management of the business and affairs of the Company. The Board performs the following overall stewardship responsibilities either directly or through its Committees. The Board has clearly outlined matters that require Board approval and those that have been delegated to management.

*Board*

- Planning Board and Committee size and composition and evaluating and selecting candidates for election at each annual meeting based on a skills, qualifications and competencies assessment process and consideration of the level of diversity on the Board.
- Formulating succession plans for the Board, the Lead Director, and the Committee Chairs.
- Annually reviewing and setting Director compensation.
- Maintaining a formal orientation program for new Directors and ongoing education programs for all Directors.
- Establishing corporate governance practices and policies and monitoring corporate governance trends.
- Assessing the effectiveness of the Board, its Committees, the Lead Director, the Committee Chairs, and individual Directors on an annual basis, periodically with the assistance of external advisors.

#### *Senior Management*

- Appointing, evaluating and, if necessary, replacing the Chair of the Board and Chief Executive Officer and other members of senior management.
- Delegating to management powers to manage the Company.
- Overseeing talent management and developing succession plans for the role of Chair of the Board and Chief Executive Officer and other senior management positions.
- Establishes annual objectives for the Chair of the Board and Chief Executive Officer and reviews performance against objectives.
- Reviewing the performance and approving the compensation frameworks for senior management, including alignment of those frameworks with applicable regulatory principles.
- Advising and counselling the Chair of the Board and Chief Executive Officer.

#### *Ethics and Integrity*

- Setting an ethical tone for the Company.
- Satisfying itself that senior management is sustaining a culture of integrity throughout the organization.
- Approving amendments to the Code of Business Conduct and Ethics.

- Complying with and reviewing employee compliance with the Code of Business Conduct and Ethics and ensuring prompt disclosure of any waivers of the Code of Business Conduct and Ethics for Directors or senior management.

#### *Strategy*

- Approving the Company's vision and purpose statements.
- Reviewing the effectiveness of the strategic planning process and approving the strategic plan.
- Approving objectives and business plans on an annual basis.
- Monitoring corporate performance against these statements, objectives and plans.

#### *Operations*

- Reviewing reports from senior management on business, financial and operational performance relative to plans.
- Monitoring initiatives to improve productivity.
- Overseeing and approving significant activities.

#### *Risk Management, Capital Management and Internal Control*

- Overseeing the management of risks, including through the allocation of risk oversight to Committees.
- Reviewing the effectiveness of internal control and management information systems that provide assurance as to the reliability of the Company's financial information and the safeguarding of its assets.
- Reviewing compliance with legislative and regulatory requirements.
- Reviewing the external audit plan, including the fees and scope of the audit engagement.
- Seeking assurances from senior management that controls are operating effectively, and establishing processes to periodically assess such assurances.

### *Material Transactions*

- Reviewing and approving material initiatives, investments and transactions.

### *Financial Reporting*

- Reviewing and approving the annual financial statements, Management's Discussion and Analysis and related news releases.

### *Communication and Disclosure*

- Reviewing and approving financial and corporate governance disclosure to shareholders and other stakeholders.
- Reviewing and approving policies with regard to public disclosure, confidentiality of information and securities trading.
- Enabling shareholders to provide feedback to the independent Directors.

### *Other*

- Engaging any special advisors it deems necessary to provide independent advice at the expense of the Company.
- Requiring management to inform applicable regulators in a timely manner of substantial issues affecting the Company.
- Performing such other functions as prescribed by law or as assigned to the Board in the Company's governing documents.

## **2. Position Description For Directors**

The Board is responsible for supervising the management of the business and affairs of the Company. Each Director participates in fulfilling the Board's stewardship role by acting honestly and in good faith with a view to the best interests of the Company (fiduciary duty) and exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (duty of care).

### *Duties and Responsibilities*

Principal duties and responsibilities of each Director include:

- Acting in the highest ethical manner and with integrity in all personal, business and professional dealings.

- Confirming compliance with the Code of Business Conduct and Ethics on an annual basis and maintaining the confidentiality of corporate information and Board deliberations.
- Understanding the Company's vision and strategic objectives.
- Becoming knowledgeable of the Company's businesses in which it operates within a reasonable time of joining the Board.
- Understanding the Company's corporate governance policies and practices and the Charters of the Board and of each Committee on which he or she serves.
- Preparing thoroughly for each Board and Committee meeting by reviewing the materials sent to Directors in advance of meetings.
- Attending Board and Committee meetings and actively participating in deliberations and decisions in an objective manner that demonstrates independence from management.
- Informing himself or herself of significant matters dealt with at meetings not attended.

#### *Director Attributes*

The Board believes that Directors should provide objective and thoughtful guidance to, and oversight of, senior management and exhibit the following characteristics while executing their duties:

- Integrity
- Accountability
- Independent and informed judgment
- Commitment to operational excellence
- Knowledge of business issues and financial matters
- Collaboration
- Initiative
- Responsiveness

In addition, certain regulatory criteria apply to Directors and are related to independence, financial, compensation and risk management literacy, and assessment of suitability and integrity. The Director Independence Policy outlines the Board's approach to determining Director independence.

### 3. Position Description for the Lead Director

The Board of Directors of the Company may appoint an independent director as Lead Director if the Board Chair is not independent, as determined by the Board in compliance with securities laws.

The primary responsibilities of the Lead Director are to:

- Work with the Chair of the Board and Chief Executive Officer, and other members of management, where appropriate, to monitor progress on the strategic plan, annual budgets, policy implementation and succession planning.
- Act in an advisory capacity to the Chair of the Board of Directors and Chief Executive Officer and to other senior management members in all matters concerning the interests and management of the Corporation.
- Work closely with the Chair of the Board and Chief Executive Officer to ensure that the Corporation is building a healthy governance culture and an effective relationship between management personnel and the members of the Board.
- Ensure that the Board acts and functions independently from management in fulfilling its fiduciary obligations.
- Provide input to the Chair of the Board and Chief Executive Officer on the frequency, dates and locations of the meetings of the Board and on the preparation of the meeting agendas to ensure the Board efficiently carries out its duties and responsibilities.
- Ensure that the independent directors, as applicable, have the opportunity, at each regularly scheduled meeting, to meet separately without non-independent directors and management personnel present.
- To the extent applicable, chair the meetings of the directors and prepare the agendas for such meetings in consultation with the other directors.
- Take reasonable measures to ensure that the meetings of the directors (or agenda items during which directors who are not independent excuse themselves) are conducted in such a way as to promote discussion and allow for the efficient and effective review and discussion of the issues submitted to the independent directors.
- Report concerns of the directors to the Chair of the Board of Directors and Chief Executive Officer and, if deemed necessary by the Lead Director, to the Board.
- Chair meetings of the Board when the Chair of the Board of Directors and Chief Executive Officer is not in attendance

- Assume the responsibilities of the Chair of the Board of Directors and Chief Executive Officer during meetings of the Board when directors who are not independent declare a conflict or otherwise excuse themselves from the debate on an agenda item at a Board meeting and do not participate in a vote.
- Carry out special assignments or any functions as requested by the Board.

#### **4. Position Description For Committee Chairs**

The Chair of a Board Committee is responsible for providing leadership to enhance effective and independent functioning of the Committee in order that the Committee may fulfill its duties and responsibilities as outlined in its Committee Charter.

##### *Duties and Responsibilities*

The principal duties and responsibilities of each Committee Chair include:

- In conjunction with the Chair of the Board and Chief Executive Officer, the Lead Director, and, when appropriate, other Committee Chairs, members of management and advisors, reviewing and approving the agenda for each meeting of the Committee.
- Chairing Committee meetings, ensuring that there is adequate time at Committee meetings for discussion of relevant issues and for the Committee members to meet privately.
- Reporting to the Board on the Committee's activities following each meeting and presenting recommendations to the Board on matters that require Board approval.
- Leading an annual review of the adequacy of the Committee Charter.
- Leading an annual evaluation of the effectiveness of the Committee.

Committee Chairs are appointed annually. Generally, a Director will serve as a Committee Chair for five years.

#### **5. Corporate Governance Policies And Practices**

##### *Director Election and Tenure*

Prior to each annual meeting, the Governance and Nominating Committee will review the candidacy of each nominee and confirm to the Board that each nominee meets the expectations outlined in the Position Description for Directors and satisfies the criteria for Board membership. In addition, the Governance and Nominating Committee will report on the independence of each nominee as defined in the Director Independence Policy.

Each Director will be elected for a term ending at the conclusion of the next annual meeting. Subject to the remainder of this section, a Director may stand for re-election at the end of each term until the twelfth annual meeting after his or her initial election or appointment to the Board, at which time he or she will retire.

The independent Directors, on the recommendation of the Governance and Nominating Committee, may waive the retirement requirement to enable a Director to stand for re-election for up to three additional one-year terms (i.e., until the fifteenth annual meeting after his or her initial election or appointment) if they unanimously determine that it is in the best interests of the Company to do so. Thereafter, the requirement to retire may be waived on an annual basis if the independent Directors, on the recommendation of the Governance and Nominating Committee, determine that it is in the best interests of the Company to do so.

#### *Majority Voting*

In elections where only the nominees recommended by the Board stand for election, a Director who receives more “withheld” votes than “for” votes for his or her election must immediately tender a written offer to resign from the Board. The Board will accept the resignation unless there are exceptional circumstances. The Board will make its decision within 90 days of the annual meeting and will promptly disclose its decision by way of news release. If the Board does not accept the resignation, it will fully explain the exceptional circumstances and the reasons for its decision in the news release.

A Director who tenders his or her resignation pursuant to the preceding paragraph will not participate in the consideration by the Board of the resignation offer.

#### *Access to Management*

Each Director shall have unrestricted access to management, as necessary, to carry out his or her responsibilities.

#### *Attendance at Board and Committee Meetings*

The Governance and Nominating Committee reviews the attendance of Directors each year as part of the nomination process for Director elections. Any Director who does not, in two consecutive years, attend at least 75% of the meetings of the Board and the Board Committees to which he or she is assigned, must tender a written offer to resign to the Chair of the Governance and Nominating Committee for acceptance or rejection by the Board.

#### *Change of Occupation*

Directors whose principal employment or other business or professional circumstances change materially from that which they held when elected to the Board (including retirement from their principal employment) must notify the Chair of the Governance and Nominating Committee and tender a written offer to resign for acceptance or



rejection by the Board. The Board is not of the view that Directors in such circumstances must always leave the Board, however, an opportunity should be given to the Board to review the continued appropriateness of Board membership under the revised circumstances.

#### *Directorships*

Directors must notify the Chair of the Governance and Nominating Committee, the Chair of the Board and Chief Executive Officer, and the Lead Director prior to accepting a directorship on an additional public, private or not-for-profit board in order to provide an opportunity for them to verify that a Director continues to have the time and commitment to fulfil his or her obligations to the Board and to be satisfied that the Director is in compliance with the above guidelines and no real or apparent conflict of interest would result.

For greater certainty, this notification is intended to capture the boards of corporations competing with the Company, organizations or groups adverse in interests to the Company or boards of entities that have the potential to give rise to a conflict of interest by virtue of a potential investment or service with the Company.

A director shall notify the Board annually about his or her principal occupation, other directorships, and business associations by completing the annual directors' questionnaire circulated in connection with the preparation of the Company's Management Information Circular.

#### *Directors' Remuneration*

The remuneration of Directors is reviewed annually to ensure that Directors are adequately and competitively compensated.

#### *Orientation of New Directors*

The Company provides an orientation program for new Directors which consists of a strategic overview session with the Chair of the Board and Chief Executive Officer, sessions with senior leadership members, and a review of a wide range of written materials, including those that outline the organization of the Board and its Committees, the powers and duties of Directors, the required standards of performance for Directors, the Code of Business Conduct and Ethics, this Charter, and the financial statements of the Company.

#### *Continuing Education for Directors*

The Company provides ongoing business and education sessions for Directors to enhance their knowledge of the organization, its businesses and key executives, and to address ongoing and emerging issues in the functional areas of Board oversight. Directors may participate in outside professional development programs approved by the Chair of the Board and Chief Executive Officer, at the expense of the Company.

Private meetings with members of management will be arranged as requested by a Director.

#### *Interaction with the Media*

The Board believes that it is the responsibility of management, rather than Directors, to speak on behalf of the Company. From time to time, Directors may be requested by the media, or by institutional investors, shareholders, or other stakeholders, to discuss certain issues on behalf of the Company. Any Director to whom such a request is made should review the request with the Chair of the Board and the Chief Executive Officer before responding.

#### *Shareholder Engagement*

The Board believes it is important to have constructive engagement with the Company's shareholders to allow shareholders to express their views on governance matters. The Chair of the Board and Chief Executive Office or the Lead Director or his or her designate may communicate from time to time with shareholders, regulators, rating agencies and corporate governance-focused coalitions in connection with governance-related matters.