



## Board of Directors Charter

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### 1. Membership

The Board of Directors (the “*Board*”) of Power Financial Corporation (the “*Corporation*”) shall consist of such number of Directors, not greater than the maximum nor less than the minimum set out in the articles of the Corporation, at least a majority of whom shall be, at the time of each Director’s election or appointment, resident Canadians.

### 2. Procedural Matters

In connection with the discharge of its duties and responsibilities, the Board shall observe the following procedures:

- 2.1 **Meetings** – The Board shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder. The Board may meet at any place within or outside of Canada.
- 2.2 **Advisers** – The Board may, at the Corporation’s expense, engage such outside advisers as it determines necessary or advisable to permit it to carry out its duties and responsibilities.
- 2.3 **Quorum** – A quorum at any meeting of the Board shall be as fixed from time to time by the Board but unless so fixed a majority of the Directors shall constitute a quorum.
- 2.4 **Secretary** – The Chair of the Board (or, in the absence of the Chair, the Deputy Chair) shall appoint a person to act as secretary of meetings of the Board.
- 2.5 **Calling of Meetings** – A meeting of the Board may be called by the Chair of the Board, a Deputy Chair, the President or a majority of the Directors, on not less than 48 hours’ notice to the members of the Board, unless otherwise provided in the by-laws specifying the place, date and time of the meeting. Meetings may be held at any time without notice if all members of the Board waive notice. If a meeting of the Board is called by anyone other than the Chair of the Board, the person(s) calling such meeting shall so advise the Chair of the Board.
- 2.6 **In-Camera Sessions** – At every regularly-scheduled meeting, the members of the Board who are independent of the Corporation’s management shall meet without members of management present.



### 3. Duties and Responsibilities

The Board shall supervise the management of the business and affairs of the Corporation and shall exercise, as appropriate, the powers vested in and exercisable by the Board pursuant to applicable laws and regulations. Without limiting the generality of the foregoing, the Board shall have the following duties and responsibilities, which it may discharge either directly or indirectly through one or more Committees of the Board. In fulfilling its duties and responsibilities, the Board will rely on the information, advice and recommendations provided to it by management, but will exercise independent judgment:

- 3.1 **Annual Financial Plan** – The Board shall review and approve the Corporation’s annual financial plan.
- 3.2 **Review of Operations** – The Board shall:
  - a. monitor the implementation by management of the approved financial plan, and shall monitor financial and operating results and other material developments;
  - b. monitor the implementation and maintenance by management of appropriate systems, policies, procedures and controls to manage the risks associated with the Corporation’s businesses;
  - c. approve significant acquisitions and dispositions, financings and other capital market transactions, capital management decisions, and other significant business and investment decisions and transactions; and
  - d. review and monitor those operational issues, including those of a regulatory nature, which in the view of management or the Board may have a potential material impact on the Corporation’s ongoing business.
- 3.3 **Disclosure and Communication Policies** – The Board shall:
  - a. approve policies with respect to the accurate, timely and full public disclosure of material information, as applicable, while maintaining confidentiality where necessary and permitted, and shall, where required, review specific disclosure documents; and
  - b. approve appropriate communication policies respecting the communication of information to the Corporation’s stakeholders and regulators.
- 3.4 **Financial Control** – The Board shall monitor the integrity of the Corporation’s financial reporting systems and the effectiveness of the Corporation’s internal controls and management information systems by:
  - a. overseeing the establishment and maintenance by management of appropriate financial control systems;
  - b. reviewing reports provided by management on material deficiencies in, or material changes to, internal controls;



- c. reviewing and approving the Corporation's public disclosure documents containing financial information requiring board approval;
- d. reviewing and approving the Corporation's annual and interim financial statements; and
- e. overseeing compliance with applicable audit, accounting and reporting requirements.

3.5 **Governance** – The Board shall oversee the Corporation's approach to corporate governance, in light of its particular circumstances.

3.6 **Senior Management** – The Board shall:

- a. approve the appointment and compensation of the President and Chief Executive Officer; and
- b. approve the appointment and compensation of senior management.

3.7 **Director Nomination and Compensation**– The Board shall:

- a. nominate and recommend to the shareholder candidates for election to the Board; and
- b. approve compensation arrangements for the Directors.

#### **4. Access to Information**

The Board shall have access to all information, documents and records of the Corporation that it determines necessary or advisable to permit it to carry out its duties and responsibilities.

#### **5. Review of Charter**

The Board shall periodically review this Charter and approve any changes that it deems appropriate, and be responsible for approving any changes to Committee Charters recommended by the relevant Committee.

*Adopted by the Board of Directors on March 29, 2006, as amended on August 7, 2009 and as amended and adopted by the Board of Directors on March 23, 2018, on May 14, 2020 and on November 10, 2021.*