



NFI GROUP INC.

MANDATE OF THE BOARD OF DIRECTORS

Revised by the Board of Directors on November 7, 2023.

NFI GROUP INC.
(together with its subsidiaries, the “Corporation”)

MANDATE OF THE BOARD OF DIRECTORS

The purpose of this document is to summarize the governance and management roles and responsibilities of the Board of Directors of the Corporation (the “Board”). The Board is responsible for the supervision of the management of the Corporation’s business and affairs, directly and through its committees, having regard to the interests of the Corporation’s stakeholders.

1. ROLE

The role of the Board is to focus on governance and stewardship of the business carried on by the Corporation. The Board will review strategy, assign responsibility for achievement of that strategy, and monitor performance against those objectives. In fulfilling this role, the Board will regularly review the strategic plans developed by management so that they continue to be responsive to the changing business environment in which the Corporation operates.

2. RESPONSIBILITIES

In fulfilling its role, the Board will:

(a) Define Stakeholder Expectations

- Satisfy itself that there is effective communication between the Board and the Corporation’s securityholders, other stakeholders and the public.
- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set corporate strategic goals and objectives within this context.

(b) Establish Strategic Goals, Performance Objectives and Operational Policies

The Board will review and approve broad strategic corporate objectives and establish corporate values against which the performance of the Corporation will be measured. In this regard, the Board will, at least annually:

- Approve long-term strategies.
- Review and approve management of the Corporation’s strategic, capital and operational plans so that they are consistent with long-term goals.
- Approve strategic and operational policies proposed by management and within which management of the Corporation will operate.

- Set targets against which to measure corporate and executive performance of the Corporation.
- Satisfy itself that a portion of executive compensation is linked appropriately to the Corporation's performance.
- Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management of the Corporation.

(c) **Delegate Management Authority to the Chief Executive Officer**

- Ensure that the Board delegates to the Chief Executive Officer of the Corporation (the "CEO") the authority to manage and supervise the business of the Corporation and decisions regarding the ordinary course of business and operations.
- Determine what, if any, limitations may be required in the exercise of the authority delegated to management.

(d) **Monitor Corporate Performance**

- Identify, understand, assess and monitor the principal risks of all aspects of the businesses in which the Corporation is engaged.
- Monitor performance of the Corporation against both short-term and long-term strategic plans and annual performance targets and monitor compliance with Board policies and the effectiveness of risk management practices.
- Monitor (directly or through any committee) the Corporation's sustainability program, including the Corporation's environmental, social and governance ("ESG") approach, management's execution against this approach and the material ESG initiatives, impacts, risks and opportunities, and disclosures.
- Monitor compliance by management with internal controls and ensure that management establishes effective management information systems.

(e) **Develop Board Processes**

- Develop procedures relating to the conduct of the Board's business and the fulfillment of the Board's responsibilities.
- Develop the Board's approach to corporate governance through the Corporation's Human Resources, Compensation and Corporate Governance Committee (the "HR Committee").
- Create additional committees of the Board and delegate to them appropriate responsibilities.

- Appoint, review and replace, as and when necessary or appropriate, the Chairperson of the Board (“Board Chair”) and a vice-chair to the Board (the “Vice Chair”). The Board shall delegate appropriate responsibilities to the Vice Chair from time to time.

(f) **Discharge Specific Responsibilities**

In fulfilling its role, the Board will be responsible for the consideration and approval of:

- The issuance of securities of the Corporation.
- Establishing the dividend policy for the Corporation and the declaration of dividends.
- Approval of the Corporation’s disclosure documents and other policies and governance documents that are required to be approved by the Board, including under applicable legal and regulatory requirements.
- The adoption, amendment or repeal of by-laws of the Corporation.
- The review and approval of material transactions not in the ordinary course of business.

3. QUALIFICATIONS OF DIRECTORS

The Board is responsible for the composition and organization of the Board, including the number, qualifications and remuneration of directors, diversity considerations, the number of Board meetings, quorum requirements and meeting procedures (in all cases subject to applicable law and the Corporation’s constating documents).

Directors are expected to have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation. They are also expected to possess skills and competencies in areas that are relevant to the Corporation’s activities and that enhance the ability of the Board to effectively oversee the business and affairs of the Corporation.

A majority of the Board must be independent. Independence shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time. The Board Chair is expected to be an independent director but, if the Board Chair is not independent, then there will be an independent lead director who will assume the responsibilities of the Board Chair in applicable circumstances. The Board Chair should act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties.

Each director must have an understanding of the Corporation’s principal operational and financial objectives, plans and strategies, financial position and performance as well as the performance of the Corporation relative to its principal competitors. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially

interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the Chairperson of the HR Committee and, if determined appropriate by the Board on the recommendation of the HR Committee, resign from the Board.

4. MAJORITY VOTING POLICY

At meetings of shareholders at which directors are to be elected, shareholders will vote in favor of, or withhold from voting for, each nominee separately. If, with respect to any particular nominee, the number of votes withheld exceeds the votes cast in favour of the nominee, then for purposes of this policy the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law.

An individual elected as a director who is considered under this policy not to have the support or confidence of the shareholders must immediately submit to the Board Chair his or her resignation from the Board. The HR Committee will consider the director's resignation and make a recommendation to the Board as to whether to accept it. A director who has tendered a resignation pursuant to this policy will not attend any part of a meeting of the HR Committee or the Board at which his or her resignation is discussed or a related resolution is voted upon.

Within ninety (90) days of the meeting of shareholders, the Board will make a decision and issue a press release either announcing the resignation of the director or explaining why it has not been accepted. In determining whether or not to accept the resignation, the Board will take into account the factors considered by the HR Committee and any other factors the Board determines are relevant. Absent exceptional circumstances, the Board will accept the director's resignation. A copy of the press release will be provided to the Toronto Stock Exchange.

Subject to any corporate law restrictions, the Board may: (i) leave the resultant vacancy unfilled until the next annual meeting of shareholders, (ii) fill the vacancy through the appointment of a new director who merits the confidence of the shareholders, or (iii) call a special meeting of shareholders to fill the vacant position.

This majority voting policy does not apply to contested elections in which the number of director nominees for election is greater than the number of director positions on the Board. In contested elections, the directors shall be elected by plurality of the votes cast.

Reference should also be made to the section titled "Resignation Events" in the Corporation's Charter of Expectations for Directors.

5. TERM AND AGE LIMITS

The Board believes there should be a balance between having experienced directors who have served on the Board for an appropriate length of time so as to understand the Corporation, its business environment and the issues facing the Corporation and renewing the Board to ensure new insights are considered to reflect and address changing business environments and strategies. In order to assist in achieving this balance, a member of the Board will generally

not be nominated for election or re-election at an annual meeting after the earlier of the following occurs: (i) the director attains the age of 75, and (ii) the director has served a 15-year term on the Board, provided however, the Board will ultimately rely upon its robust self-assessment process to determine Board renewal needs. Where the Board determines it would be in the best interests of the Corporation, the Board is entitled to nominate any person for election to the Board, regardless of age or tenure.

6. DIVERSITY POLICY

The Corporation has a Board Diversity Policy, which sets out that the Board shall consist of directors who represent a diversity of talents, experience, functional expertise and personal skills, age, character and qualities and sets out the target objectives regarding Board composition. The Board aspires to achieve parity in gender identification diversity in its composition. Beyond gender, the Corporation aims to achieve a Board composition that is reflective of the Corporation's stakeholders, including its customers and employees and the changing demographics of the communities in which the Corporation operates, including individuals who identify as racialized, black, people of colour, people with sexual orientation diversity, people with disabilities (including invisible and episodic disabilities) and Indigenous people.

7. MEETINGS

The Board has meetings at least once in each quarter, with additional meetings held when required. Additional meetings may be called by the Board Chair or any two directors on proper notice. The independent directors will hold regularly scheduled in-camera meetings at which members of management and non-independent directors are not in attendance.

The Board Chair is primarily responsible for the agenda. Prior to each Board meeting, the Board Chair will discuss agenda items for the meeting with the CEO and other members of the Board. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by management of the Corporation, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The HR Committee and the Audit Committee generally have meetings quarterly, with additional meetings held when required. Meeting frequency and agendas for the standing committees may change from time to time, however, depending on opportunities or risks faced by the Corporation. The committee chairperson or any two members of a committee may call a committee meeting, request that an item be included on the committee's agenda or raise subjects that are not on the agenda for that meeting. Audit Committee meetings can also be called by the Corporation's auditor or Chief Financial Officer.

Notice of the place, day and time of each Board or committee meeting must be served on each director or committee member sufficiently far in advance of the meeting so as to facilitate the directors' attendance at and preparation for the meeting. Director or committee members may waive notice of any meeting, and attendance at a meeting without objection is deemed to be waiver of notice. The notice needs to state the purpose or purposes for which the meeting is being held.

The Secretary keeps minutes of the proceedings of the Board and each of its committees, and circulates copies of the minutes for review by each Board or committee member, as the case may be, on a timely basis.

(a) **Procedures for Board Meetings**

- Subject to any applicable by-laws, procedures for Board meetings are determined by the Board Chair unless otherwise determined by a resolution of the Board. Subject to any applicable by-laws, the Board Chair presides over the Board meetings and the Vice Chair presides over the Board meetings when the Board Chair is unable to attend.
- Subject to any applicable by-laws, procedures for committee meetings are determined by the committee chairperson unless otherwise determined by a resolution of the committee or the Board.
- A quorum for any Board or committee meeting shall be as required by the constating documents of the Corporation.

8. DIRECTORS' RESPONSIBILITIES

(a) **Attendance and Participation**

- Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. A director who is unable to attend a meeting in person may participate by telephone or videoconference. The Board or any committee may also take action from time to time by unanimous written consent.
- In advance of each Board or committee meeting, members will receive the proposed agenda and other materials necessary for the directors' understanding of the matters to be considered. Directors are expected to spend the time needed to review the materials in advance of such meetings and to actively participate in such meetings.

(b) **Service on Other Boards and Audit Committees**

- The Board does not believe that its members should be prohibited from serving on the boards of other companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Board Chair in advance of accepting an invitation to serve on the board of another company and, as a general rule, directors are not allowed to join a board of another company on which two or more other directors of the Corporation serve. In addition, directors cannot be on the board of a competitor of the Corporation.

- Members of the Audit Committee may not serve on the audit committees of more than two other companies without the prior approval of the Board Chair.

(c) **Access to Independent Advisors**

- The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation and have the authority to determine the advisors' fees and other retention terms. Any director may, subject to the approval of the Board Chair, retain an outside advisor at the expense of the Corporation.

9. EVALUATION OF BOARD, DIRECTORS AND COMMITTEES

The HR Committee, in consultation with the Board Chair, will ensure that an appropriate system is in place to evaluate and perform an annual evaluation of the effectiveness of the Board as a whole as well as the committees of the Board, to ensure they are fulfilling their respective responsibilities and duties. In connection with these evaluations, each director will be requested to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of individual directors. These evaluations should take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

10. MANAGEMENT

(a) **Management's Role**

- The primary responsibility of management of the Corporation is to safeguard the Corporation's assets and to create value for the Corporation. When performance is found to be inadequate, the Board has the responsibility to bring about appropriate change.
- In managing the Corporation, management should also have regard to the interests of the Corporation's other stakeholders, such as the Corporation's employees, customers, suppliers, creditors and the communities in which the Corporation operates.
- Management of the Corporation is under the direction of the CEO. The Board shall take such steps as it deems necessary to satisfy itself as to the integrity of the CEO and senior management of the Corporation and that such individuals create a culture of integrity throughout the Corporation.

(b) **Management's Relationship to the Board**

- Senior management of the Corporation, primarily through the CEO, reports to and is accountable to the Board. The Board is responsible for the selection, appointment, evaluation and, if necessary, termination of the CEO, as well as ensuring that there is appropriate succession planning, including appointing, counseling and monitoring the performance, of senior management.

- Business plans are developed by senior management and reviewed by the Board to ensure consistency with the Corporation's strategic direction. A special meeting of the Board is held each year to review the strategic initiatives and the business plan submitted by senior management of the Corporation.

(c) **Board Access to Business Information and Management**

- Information provided by and access to management is critical to the Board's effectiveness. In addition to the reports presented to the Board at its regular and special meetings, the Board is also kept informed on a timely basis by management of the Corporation with respect to developments and key decisions taken by management in pursuing the Corporation's business plan. Subject to notifying the Board Chair and the CEO in advance, directors should have direct access to senior management of the Corporation. The directors periodically assess the quality, completeness and timeliness of information provided by management to the Board.

(d) **Management Performance Review and Rewards**

- The HR Committee annually reviews the position description of the CEO and establishes objectives against which his or her performance is reviewed, with his or her compensation being assessed against these agreed objectives. Similar reviews and assessments are undertaken for other members of senior management in consultation with the CEO.
- The compensation plans of the Corporation are based on maintaining a direct link between management rewards and the achievement of objectives including risk management, with the ultimate objective of creating long-term, sustainable value for the Corporation.

11. COMMUNICATION AND DISCLOSURE POLICIES

The Corporation has adopted a Disclosure and Insider Trading Policy which summarizes its policies and practices regarding disclosure of material information to investors, analysts and the media. The purpose of this policy is to ensure that the Corporation's communications with the investment community are timely, consistent and in compliance with all applicable securities legislation. This Disclosure and Insider Trading Policy is reviewed annually by the Board and will be distributed to employees in accordance with the policy and made available on the Corporation's intranet site.

The Corporation endeavors to keep its securityholders informed of its progress through a comprehensive annual report, annual information form, quarterly interim reports and periodic press releases. It also maintains a website that provides summary information about the Corporation and ready access to its published reports, press releases, statutory filings and supplementary information provided to analysts and investors. Among other opportunities, directors and management interact with the Corporation's securityholders at the annual meeting and are available to respond to questions at that time.

The Corporation also maintains an investor relations program to respond to inquiries in a timely manner. Management meets on a regular basis with investment analysts, financial advisors and interested members of the public to ensure that accurate information is available to investors, including quarterly conference calls and webcasts to discuss the Corporation's financial results. The Corporation also endeavors to ensure that media is kept informed of key developments as they occur, and have an opportunity to meet and discuss these developments with the Corporation's designated spokespersons.

12. CODE OF BUSINESS CONDUCT AND ETHICS

The Board expects all directors, officers and employees of the Corporation to conduct themselves in accordance with the highest ethical standards and to adhere to the Corporation's Code of Business Conduct and Ethics. Waivers of the Code of Business Conduct and Ethics will only be granted in exceptional circumstances where the waiver would not be inconsistent with the spirit of the Code of Business Conduct and Ethics and following consultation with legal counsel. Any waiver of the Code of Business Conduct and Ethics for officers or directors may only be made by the Board or the HR Committee and will be publicly disclosed by the Corporation to the extent required by law, regulation or stock exchange requirement. Employees may seek waivers from the CEO and any such waivers will be promptly reported to the Board.

13. PROHIBITION ON PERSONAL LOANS

The Corporation will not, either directly or indirectly, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any director or member of senior management.

14. ORIENTATION AND CONTINUING EDUCATION OF DIRECTORS

The Corporation is best served by the Board comprised of individuals who are well versed in modern principles of corporate governance and other subject matters relevant to Board service and who thoroughly comprehend the role and responsibilities of an effective Board in the oversight and supervision of management of the Corporation. The Chairperson of the HR Committee, with the assistance of the CEO, shall develop an orientation and continuing education program for all directors of the Corporation. This program will be articulated in a separate director orientation and continuing education policy that will be reviewed by the HR Committee on an annual basis.

APPENDIX

Position Description of Chairperson

The Board Chair is principally responsible for overseeing the operations and affairs of the Board. It is expected that the Board Chair will be independent but, if not, there will be a lead independent director. In fulfilling his or her responsibilities, the Board Chair will:

- (a) provide leadership to foster the effectiveness of the Board;
- (b) ensure there is an effective relationship between the Board and senior management of the Corporation;
- (c) ensure that the appropriate committee structure is in place and assist the Human Resources, Compensation and Corporate Governance Committee (the “HR Committee”) in making recommendations for appointments to such committees;
- (d) in consultation with the other members of the Board and the CEO, prepare the agenda for each meeting of the Board;
- (e) ensure that all directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- (f) chair Board meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decision-making is reached and accurately recorded;
- (g) together with the HR Committee, ensure that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board’s committees and individual directors, and make recommendations to the HR Committee for changes when appropriate;
- (h) work with the CEO and other members of senior management to monitor progress on strategic planning, policy implementation and succession planning; and
- (i) provide additional services required by the Board.

Position Description of Committee Chairperson

A committee chairperson is principally responsible for overseeing the operations and affairs of his or her particular committee. In fulfilling his or her responsibilities, the chairperson will:

- (a) provide leadership to foster the effectiveness of the committee;
- (b) ensure there is an effective relationship between the Board and the committee;
- (c) ensure that the appropriate charter is in effect and assist the HR Committee in making recommendations for amendments to the charter;
- (d) in consultation with the other members of the committee and Board, where appropriate, prepare the agenda for each meeting of the committee;
- (e) ensure that all committee members receive the information required for the proper performance of their duties, including information relevant to each meeting of the committee;
- (f) chair committee meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual members and confirming that clarity regarding decision-making is reached and accurately recorded;
- (g) together with the HR Committee, ensure that an appropriate system is in place to evaluate the performance of the committee as a whole, the committee's individual members, and make recommendations to the HR Committee for changes when appropriate; and
- (h) provide additional services required by the Board.