



## Mandate of the Board of Directors

### **Stewardship & Governance of Sage Properties Corp. (the "Corporation")**

- 1) The Board of Directors of the Corporation (the "Board") is responsible for:
  - a) Ensuring the Corporation's business and affairs are focused on achieving the Corporation's mandate of maximizing the value of the assets of the Corporation for the benefit of the shareholders of the Corporation;
  - b) Supervising the management of the business and affairs of the Corporation;
  - c) Providing leadership to the Corporation by practicing responsible, sustainable, and ethical decision making;
  - d) Ensuring that all major issues affecting the Corporation are given proper consideration;
  - e) Directing management to ensure legal and regulatory requirements application to the Corporation have been met;
  - f) Adopting and monitoring compliance with governance policies of the Corporation;
  - g) Taking reasonable steps to satisfy itself that each director and officer:
    - i) is performing their duties ethically;
    - ii) is conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the articles, by-laws and other governance policies and mandates adopted by the Board;
    - iii) is fostering a culture of integrity throughout the Corporation; and
    - iv) is receiving a comprehensive orientation to fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors) and that all new directors understand the nature and operation of the Corporation's business.

### **Director Obligations**

- 2) Each director, in exercising such director's powers and discharging the director's duties, shall:
  - a) Act honestly and in good faith with a view to the best interests of the Corporation; and
  - b) Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

### **Board Composition**

- 3) The Board will always have District Depositors or District Depositor Nominees (as each of such terms defined in the Corporation's by-laws) representing at least 50% of its directors as defined by the Corporation's by-laws. The Board is required to have a minimum of six (6) directors.
- 4) The Board will strive to ensure that all individuals considered for nomination and election to the Board demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

### **Board Executive Chair & Vice Chair**

- 5) On an annual basis, the Board will appoint a Board Chair to:
  - a) Provide leadership to all directors;
  - b) Manage the affairs of the board; and
  - c) Ensure that the Board functions effectively in fulfillment of its duties to the corporation;
  - d) Any other duties as outlined in the Executive Chair position description.
  
- 6) The Board may also choose to select a Vice-Chair who will assist the Board Chair in the completion of their duties, or any other duties as assigned by the board.

### **Lead Director**

- 7) The Board is responsible to annually select an independent member of the Board to:
  - a) Act as a leader for the independent directors;
  - b) Call meetings of the independent directors, where appropriate;
  - c) Serve as an independent contact for directors for matters deemed to be inappropriate to be discussed initially with the Executive Chair or in other situations where the Executive Chair is not available;
  - d) Communicate with the Executive Chair and other officers of the Corporation so that they are aware of concerns of the independent directors, shareholders, and other stakeholders;
  - e) Organize and present an agenda for in-camera independent director meetings based on input from directors and management, where appropriate;
  - f) Preside over in-camera independent director meetings and conduct the meetings in an efficient, effective, and focused manner;
  - g) Oversee the distribution of information to independent directors for purposes of in camera independent directors' meetings in a manageable form, sufficiently in advance of the meeting.

### **Committees of the Board**

- 8) The Board discharges its responsibilities directly through its committees. As such the Board shall:
  - a) Establish such committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board which committees shall include:
    - i) An Audit Committee and;
    - ii) A Corporate Governance, Compensation & Nominating Committee.
  - b) Appoint directors to serve as members of each Committee;
  - c) Appoint a chair of each committee to:
    - i) Provide leadership to the committee;
    - ii) Manage the affairs of the committee; and
    - iii) Ensure the committee functions effectively in fulfilling its duties to the Board and the Corporation;

- d) Regularly receive and consider reports and recommendations of each Committee, in particular:
  - i) Audit Committee reports and recommendations, including the Corporation's interim and annual financial statements;
  - ii) Corporate Governance, Compensation & Nominating Committee reports and recommendations regarding:
    - governance issues;
    - nominees and candidates for election to the Board;
    - compensation for the Executive Chair and senior executives, board assessments and board compensation;
- e) Annually review, and on the advice of the Governance and Compensation Committee, either approve or require revisions to the mandate of the board and each committee charter, chair position descriptions, the code of business conduct and ethics and all other policies of the Corporation (the "Governance Documents");

### **Board Meetings**

- 9) The Board is responsible to:
  - a) Meet in person, or by telephone or video conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
  - b) Hold meetings of the independent directors without management and non-independent directors present.
- 10) Each director is expected to attend all regularly scheduled meetings of the Board and all the committees on which he or she serves and to be prepared for such meetings by reviewing materials provided in advance of meetings.
- 11) The Board shall not transact business at a meeting unless one half (1/2) of the directors present at such meeting are District Depositors or District Depositor Nominees, unless a District Depositor director or District Depositor Nominee director who is unable to be present approves in writing the business transacted at the meeting.

### **Supervision of Management**

- 12) The Board is responsible to:
  - a) Select and appoint the Executive Chair and senior management, and with the assistance of the Corporate Governance, Compensation and Nominating Committee establish goals and objectives and evaluate their performance; and
  - b) With the assistance of the Corporate Governance and Compensation Committee, maintain a succession plan for the replacement of the Executive Chair and senior management. Develop a position description for the Executive Chair which includes delineating responsibilities.

### **Strategic Planning**

- 13) The Board shall:
  - a) Adopt a strategic planning process, considering, among other things, the opportunities, and risks of the Corporation's business, and regularly monitor the Corporation's performance against its strategic plan;
  - b) Approve capital and operating budgets to implement the strategic plan;
  - c) Conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan;
  - d) Evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.

**Risk Management**

14) The Board shall:

- a) Adopt a process to identify business risks and ensure appropriate systems to manage risks; and
- b) Together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
  - i) internal controls over financial reporting; and
  - ii) management information systems.

**Materials**

15) The Board shall have access to all books, records, facilities, and personnel of the Corporation necessary for the discharge of its duties.

**Advisors**

16) The Board has the power, at the expense of the Corporation, to retain instruct, compensate, and terminate independent advisors to assist the Board in the discharge of its duties.

**Standards of Liability**

17) Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of the Committee. The Board may adopt additional policies and procedures as it deems necessary from time to time to fulfill its responsibilities.