



Board of Directors Mandate

December 2009

The following is a list of the principal duties of the Board of Directors of PACICC.

1. Strategic Planning

The Board will:

- provide counsel, support and advice to management on major policy and strategic issues facing the Corporation
- approve, assess and monitor resources required to implement PACICC's strategic plan
- review and approve a Plan and Budget prepared by management setting forth the annual plan and strategic priorities for the next three years
- approve any material changes to the Plan and Budget
- ensure that identified priorities are consistent with the Corporation's strategic goals of relevant research, effective governance and proactive operations
- approve PACICC's financial objectives and operating plan, including capital allocations and any expenditures exceeding thresholds established by the Board
- monitor the implementation and effectiveness of the approved strategic plan and approve significant business decisions not otherwise delegated to management.

2. Corporate Governance

The Board will:

- develop, approve and monitor PACICC's approach to corporate governance
- review the Board's mandate periodically to ensure that it properly reflects both the Board's decisions and the oversight that should reasonably be expected of the Board
- establish Board committees with specific mandates and objectives to assist the Board in carrying out its roles and responsibilities
- establish expectations and responsibilities of directors and management staff (including required skills, competencies and expected attendance at Board and Committee meetings)
- establish and maintain a process to regularly and objectively assess the effectiveness of the Board, committees, individual directors and management staff
- ensure that all new directors receive a comprehensive orientation explaining the role of the Board and its committees and expected contributions from individual directors (meeting preparation, attendance and participation).

3. Financial Reporting

The Board will:

- review and approve the annual audited financial statements of the Corporation
- ensure full, regular and timely financial reporting and disclosure to regulators (consistent with applicable laws, regulations, rules, policies and other requirements)
- through the Audit Committee, ensure that controls are in place to safeguard the integrity of the Corporation's financial reporting and the effectiveness of its internal controls
- ensure strict compliance with all applicable audit, accounting, financial reporting, investment policy and legal disclosure requirements.

4. Risk Management

The Board will:

- provide regular oversight of the Corporation's enterprise risk management plan
- approve an investment policy for the Corporation and ensure compliance with it
- review annually PACICC's risk management practices to ensure early identification and effective management of key risks facing the Corporation
- monitor staff reports regarding the assessment, management and monitoring of key risks facing the Corporation
- approve and monitor processes that will ensure compliance with applicable legal and regulatory requirements.

5. Human Resources Management

The Board will:

- ensure that policies and practices are in place to enable PACICC to attract, develop and retain the human resources required to achieve its business objectives
- oversee the Corporation's executive compensation program and approach to human resource management
- approve the selection, appointment, development, evaluation and compensation of Board members and management staff
- develop a clear position description for the CEO, in conjunction with the CEO, including delineation of management responsibilities
- approve corporate goals and objectives for the CEO to achieve
- develop clear position descriptions for the Board chair and committee chair(s)
- monitor PACICC's succession plan for key executive positions
- ensure that adequate plans are in place to recruit new Board members when vacancies occur.

6. Integrity

The Board will:

- approve a written Code of Business Conduct and Ethics to foster and maintain a culture of integrity and ethical behaviour throughout the Corporation
- approve the Corporation's Code of Business Conduct and Ethics for staff and Directors and monitor management reports on compliance with same
- approve other policies and practices dealing with issues related to integrity, ethics and social responsibility.

7. Corporate Communications

The Board will:

- approve PACICC's corporate communications policies
- monitor management policies and processes that ensure accurate, timely and appropriate public disclosure of business information
- encourage regular and open consultation with members, regulators, liquidators, media (as required) and other industry stakeholders
- ensure that disclosure policies are consistent with reporting requirements.