

## MANDATE OF GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE

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### ***Main Responsibilities of the Committee***

- Supervise the establishment, design, and implementation of corporate governance policies, including a code of conduct, with an aim to maintain a sound corporate governance culture within the Corporation and make recommendations to the Board, if applicable
- Review the compensation, size and composition of the Board and the independence of Board members and make recommendations to the Board
- Ensure, in collaboration with the Audit Committee, that the Corporation follows a sound policy in communicating effectively with its shareholders
- Facilitate the evaluation of the Board, its committees, and the Executive Chair of the Board
- Supervise the implementation of the Corporation's Corporate Social Responsibility Plan

### **PURPOSE OF THE COMMITTEE**

The Governance and Social Responsibility Committee (the "Committee") of Transcontinental Inc. (the "Corporation") is a committee of the Board of Directors (the "Board") that assists the Board in fulfilling its oversight obligations primarily with respect to compliance with legal and regulatory requirements relating to corporate governance, the review of the size and composition of Board and continuing education program for directors, the implementation of sound corporate governance practices, including the development and administration of a code of conduct and the evaluation of the Board, its committees and the Executive Chair of the Board.

### **MEMBERS' INDEPENDENCE**

All members of the Committee shall be independent within the meaning of the applicable legislation. Unless members of the Committee waive it, the Committee shall meet "in camera" at each meeting of the Committee, without the presence of management and consultants, to enable its members to discuss openly and frankly.

### **MEMBERS OF THE COMMITTEE**

The Board shall appoint a minimum of three members to the Committee. The Board shall be under no obligation to fill a vacancy prior to the next annual meeting of shareholders. The members of the Committee shall be appointed or replaced by resolution of the Board to hold office from the date of their appointment until the next annual meeting of shareholders or until their successors are appointed. A member may be removed or replaced at any time by the Board. A member ceases to be a member of the Committee when he ceases to be a director.

### **MEETINGS**

The Committee shall establish its own procedure for the calling and holding of meetings. The Committee must however hold at least two meetings per year. Subject to the notice provisions set out in the by-laws of the Corporation, written notice shall be given at least 48 hours prior to meetings unless the members of the Committee unanimously waive the notice.

The Executive Chair of the Board and the President and Chief Executive Officer may attend each Committee meeting at the invitation of the chair of the Committee.

Unless otherwise determined by the Board from time to time, two members of the Committee constitute a quorum for the purpose of deliberating on any matter at a meeting. In the absence of the chair of the Committee at a meeting, the chair of the meeting shall be held by the member present who shall be chosen by a majority of the members present. During a meeting, all questions shall be decided by a majority of the votes cast by the members of the Committee.

A member of the Committee is appointed by the Board to act as chair of the Committee. The Secretary of the Committee shall be the Secretary or Assistant Secretary of the Corporation.

## **RESSOURCES AND SUPPORT**

In order to fulfill its responsibilities, the Committee shall have the resources and the authority to engage, without prior authorization of the Board and at the Corporation's expense, outside experts or consultants. Each member of the Committee shall be entitled to rely, without independent verification, on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information or advice and, on the accuracy, and completeness of the information provided to the Committee by or on behalf of such persons or organizations. Any of such consultants or experts shall have the right to attend meetings of the Committee at the invitation of the chair of the Committee.

## **RESPONSIBILITIES**

The duties and responsibilities of the Committee are established by the Board and include the following:

### **1. In Relation to Corporate Governance**

- (i) Define and recommend corporate governance policies and practices to the Board, review and ensure the compliance of such policies with applicable laws and regulations;
- (ii) Remain informed of recent developments in corporate governance and trends in corporate governance;
- (iii) Review the process in place to ensure compliance with the Corporation's Code of Conduct and recommend any desirable or necessary changes to the Code of Conduct and report back to the Board;
- (iv) Review any exceptions to the Code of Conduct by a director or executive officer and make a recommendation to the Board as to the actions to be taken in this respect;
- (v) Monitor actual or potential conflicts of interest of with respect to both the Board members and the executive officers of the Corporation;
- (vi) Review and make a recommendation to the Board with respect to any proposed amendment to the by-laws of the Corporation;
- (vii) Adopt and administer any diversity policy within the Board and review the Corporation's initiatives to promote diversity within the Board, including statistics on women's representation on the Board;
- (viii) Ensure that key corporate governance policies and practices are made available to the directors;
- (ix) Review any proposal submitted by shareholders to the Board and recommend to the Board the actions to be taken in this respect;
- (x) Ensure, together with the Audit Committee, that the Corporation follows a sound policy in communicating effectively with its shareholders;
- (xi) Review and approve, as appropriate, requests from employees wishing to accept mandates as Board members in accordance with policies set out by the Committee and approved by the Board from time to time;
- (xii) Revise the proxy circular with respect to matters referred to the Committee or arising from its mandate, including corporate governance guidelines;
- (xiii) Bring to the attention of the Board or of any other committee of the Board, if applicable, matters of such importance as to require review by the Board or by another committee;
- (xiv) Review the role and description of the Board and its committees, the overall efficiency of the Board and its committees, and the methods and processes by which the Board and its committees fulfill their responsibilities;

- (xv) Review the mandates of the Board and the Board committees on an annual basis and recommend any changes deemed desirable or necessary;
- (xvi) Review the roles and responsibilities of the Executive Chair of the Board, the Lead Director and the President and Chief Executive Officer and recommend to the Board any changes deemed desirable or necessary; and
- (xvii) Perform such other duties as may from time to time be entrusted by the Board.

## **2. In Relation to Board Members**

- (i) Review the size and composition of the Board and ensure that the Board can function independently of management;
- (ii) Establish the evaluation process of the Executive Chair of the Board;
- (iii) Approve the evaluation questionnaires of the Board of its committees and the Chair of the Board in order to assess the efficiency of the Board and its committees;
- (iv) Establish, together with the Chair of the Board, the procedure for the nomination of new directors, including the following steps:
  - Review of the criteria for the composition of the Board and its committees, including the skills and abilities that the Board should have while considering the diversity of Board member profiles and other Board requirements;
  - an assessment of the skills and abilities that any new candidate will bring to the Board, considering the matrix of competencies sought within the Board;
  - a meeting of any candidate by the chair of the Committee; and
  - a recommendation to the Board as to nominations for the positions of directors to be elected at the annual meeting or vacancies to be filled on the Board between annual meetings or other additional nominations.
- (v) Review the independence of each member of the Board and make recommendations to the Board in relation thereto;
- (vi) Review the structure, form and amount of directors' compensation, including the comparison groups approved by the Committee, and make a recommendation to the Board in relation thereto;
- (vii) Establish guidelines for the ownership of shares of directors and ensure their compliance; and
- (viii) Review and make a recommendation to the Board with respect to the continuing education program intended for directors (including new directors).

## **3. In Relation to Corporate Social Responsibility**

- (i) Review and approve, at least on a three-year basis, the Corporation's Corporate Social Responsibility Plan;
- (ii) Review the Corporation's objectives, initiatives and progress annually aimed at achieving the targets set out by the Corporation in the Corporate Social Responsibility Plan;
- (iii) Discuss on a regular basis with management of the Corporation actions taken by the Corporation relating to social responsibility and sustainability, including as it pertains to compliance with relevant applicable laws and reporting thereunder;
- (iv) Be informed of recent developments in social responsibility matters and trends; and

- (v) Report to the Board on the Corporation's corporate social responsibility objectives and initiatives and progress in relation thereto.

The Committee shall report to the Board after each of its meetings.