



**BOARD OF DIRECTORS'
MANDATE**

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Effective November 5, 2020

1. PURPOSE

- 1.1 The Board of Directors (the "**Board**") of Kits Eyecare Ltd. (the "**Company**") wishes to formalize the guidelines pursuant to which the Board governs the business of the Company. The guidelines are intended to be flexible and are intended to provide parameters and direction to the Board in conjunction with its obligations and mandate to oversee and direct the affairs of the Company.
- 1.2 The Board is responsible for the overall stewardship of the Company and for managing and supervising the management of the Company. The Board does not conduct day-to-day management of the Company. The Board shall at all times act in the best interests of the Company.

2. RESPONSIBILITIES

- 2.1 The Board has the responsibility to:
 - (i) satisfy itself, to the extent feasible, as to the integrity of the chief executive officer (the "**CEO**") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company;
 - (ii) require management to develop and maintain a strategic planning process which takes into account, among other things, the opportunities and risks of the Company's business and to bring its strategic and operating plans to the Board for review and approval on an annual basis or such other basis as may be required by the Board;
 - (iii) approve all capital plans and establish priorities in the allocation of funds for major capital projects on an annual basis or such other basis as may be required by the Board;
 - (iv) identify the principal risks of the Company's business and require management to implement appropriate procedures and systems to manage such risks;
 - (v) plan for senior management succession, including the appointment and training of senior management and monitoring of senior management's performance;
 - (vi) adopt a communication policy that seeks to ensure that effective communications, including statutory communication and disclosure, are established and maintained with employees, shareholders, the financial community, the media, the community at large and other security holders of the Company;
 - (vii) establish procedures to receive feedback from stakeholders of the Company and communications to the independent directors;
 - (viii) require management to maintain internal control and management information systems and, through Board committees or otherwise, to monitor these systems as it considers fit;
 - (ix) monitor compliance with the Company's code of conduct;
 - (x) develop the Company's approach to corporate governance issues and principles practices;

- (xi) require senior management to implement systems to ensure the Company operates within applicable laws and regulations;
- (xii) review actual results achieved by the Company against the objectives contained in the Company's plans and implement or cause to be implemented corrective action where indicated;
- (xiii) arrange for the operating results of the Company to be presented by management to the Board on a regular basis;
- (xiv) require that the Board be kept reasonably informed of the Company's activities and performance and take appropriate action to correct inadequate performance;
- (xv) authorize the issuance of equity and debt securities of the Company;
- (xvi) review and consider all reports and recommendations of the Company's compensation committee ("**Compensation Committee**") and approve all compensation of senior executive officers (including the CEO and named executive officers) and directors;
- (xvii) review the recommendation of the Company's audit committee with respect to the annual financial statements of the Company to be delivered to shareholders. If appropriate, the Board shall approve such financial statements;
- (xviii) require that proper procedures are established for the protection of shareholder value; and
- (xix) ensure policies and procedures are in place to ensure the Company's compliance with applicable law, including timely disclosure of relevant corporate information and regulatory reporting.

2.2 The Board will give direction and guidance to management and will also keep management informed of its evaluation of the performance of the Company and of its senior officers in achieving and carrying out the Board's established goals and policies, and in advising management of any remedial action or changes which it may consider to be necessary.

3. **ORGANIZATION OF THE BOARD**

- 3.1 The composition of the Board shall comply with applicable corporate and securities laws.
- 3.2 At least a majority of the directors shall be "independent" as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- 3.3 Each year the Board shall review the relationship that each member of the Board has with the Company in order to satisfy itself that the relevant independence criteria have been met.
- 3.4 The Board may:
 - (i) appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except those which pertain to items which, under the *Business Corporations Act* (British Columbia) (the "**Act**"), a committee of the Board has no authority to exercise;
 - (ii) appoint a chair of the Board (the "**Chair**") and prescribe his or her powers and duties;
 - (iii) appoint a lead director of the Board ("**Lead Director**") and prescribe his or her powers and duties;

- (iv) appoint a CEO and prescribe his or her powers and duties; and
 - (v) in conjunction with the CEO, appoint the officers of the Company and prescribe their powers and duties.
- 3.5 If, and as long as, the Chair is not an independent director, the Board shall appoint, from among its independent members and upon recommendation by its independent members, a Lead Director to hold office until the earlier of: (i) the appointment of an independent Chair; and (ii) the appointment of his or her successor by the Board. A Lead Director shall, if required in accordance with the foregoing, be appointed annually.
- 3.6 The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named.
- 3.7 In the event of a change of the status or credentials underlying a Board member's appointment to the Board, the member so affected should, on his or her own initiative, discuss the change with the Chair so that there is an opportunity for the Board to review the continued appropriateness of Board membership under his or her new circumstances. Each case will be dealt with on its own merits, but as a rule, a member of the Board is expected to tender his or her resignation if there is a change in his or her credentials and circumstances that result in his or her candidacy no longer meeting the requirements of Board membership.
- 3.8 Unless specified otherwise, the following procedural rules apply to committees of the Board:
- (i) The Board may appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except those which pertain to items which, under the Act, a committee of the Board has no authority to exercise;
 - (ii) The powers of a committee of the Board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any such committee may be held at any place in or outside Canada;
 - (iii) The Board may from time to time appoint such advisory bodies as it may deem advisable; and
 - (iv) Each committee and advisory body shall have the power to fix its quorum at not less than a majority of its members, to elect its chair, and to regulate its procedure.
- 3.9 The Board shall be composed of between three (3) and seven (7) directors, the number of directors within that range to be fixed by resolution of the Board from time to time. The size of the Board should enable its members to effectively and responsibly discharge their responsibilities to the Company.
- 3.10 Except as set out in the Articles of the Company, Board members shall be elected at the annual meeting of shareholders of the Company each year and shall serve until their successors are duly elected.
- 3.11 The Board shall have adequate resources to discharge its responsibilities. The Chair shall be empowered to engage advisors as may be appropriate from time to time to advise the Chair on the Board with respect to duties and responsibilities.
- 3.12 The Board members are expected to devote the time and attention to the Company's business and affairs necessary to discharge their duties as members of the Board effectively, which include, but are not limited to, attendance at Board meetings and the review of any materials prepared in connection with such meetings. Subject to this requirement, the Board members shall not be subject to any restrictions with

respect to their activities outside of their relationship with the Company, including their services as directors of other corporations or charitable organizations so long as such is in accordance with all of the Company's other policies and charters.

- 3.13 The Board shall meet not less than four times per year.
- 3.14 The meetings of the Board shall ordinarily include the CEO (if not a director) and shall periodically include other senior officers as may be appropriate and as may be desirable to enable the Board to become familiar with the Company's management team and affairs.
- 3.15 The Chair shall act as, or appoint a secretary, who shall keep minutes of its meetings in which shall be recorded all actions taken by the Board. Such minutes shall be made available to the directors and shall be approved by the Board for entry in the records of the Company.
- 3.16 Each director is expected to be diligent in preparing for and attending meetings of the Board and any committee of which he or she is a member. A director who is unable to attend a Board or committee meeting may participate by teleconference.
- 3.17 Members of the Board shall have the right, for the purposes of discharging their respective powers and responsibilities, to inspect the relevant records of the Company and its subsidiaries.
- 3.18 Members of the Board, subject to approval of the chair to the Company's nominating and corporate governance committee or Compensation Committee, may retain separate counsel to deal with issues relating to their responsibilities as members of the Board.
- 3.19 If there are any non-management directors who are not independent directors, the independent directors shall have the opportunity to meet at the conclusion of each meeting of the Board with only independent directors present.