

AIRBOSS OF AMERICA CORP.

MANDATE OF THE BOARD OF DIRECTORS

1. Responsibilities of the Board and Each Director

Board responsibility

The Board of Directors (the "Board") of AirBoss of America Corp. (the "Corporation") is responsible for the stewardship of the Corporation. In connection with this responsibility, the Board will:

- (a) in consultation with the chief executive officer of the Corporation (the "CEO"), define the principal objective(s) of the Corporation;
- (b) supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board;
- (c) discharge the duties imposed on the Board by applicable laws; and
- (d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Director obligations

In exercising his or her powers and discharging his or her responsibilities to the Corporation, each director shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall act honestly and in good faith with a view to the best interests of the Corporation. In addition, each director shall:

- (a) review and participate in the work of the Board necessary in order for the Board to discharge its duties and responsibilities as set out herein;
- (b) participate in any orientation and continuing orientation programs developed by the Corporation for directors;
- (c) participate in any processes as may be established by the Board for assessing the Board, directors and any committee of the Board from time to time; and
- (d) in connection with each meeting of the Board and of each committee of the Board of which such director is a member:
 - (i) respond promptly to management requests in respect of availability for proposed meetings;
 - (ii) review thoroughly the material provided to the director by management in connection with the meeting; and
 - (iii) attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by phone or video-conference).

Delegation

Unless otherwise stated herein or under the Corporation's by-laws, the *Business Corporations Act* (Ontario) or other applicable laws and regulations, the Board may delegate its duties and responsibilities to any committee of the Board and to senior management. However, such delegation does not relieve the Board of its overall responsibilities and it retains its oversight over such delegated matters.

The Board may establish such committees as the Board may consider appropriate and shall establish and regularly review written terms of reference for each such committee. The duties and responsibilities delegated to any committee shall be those set out in the applicable terms of reference.

The Board has delegated responsibility for the day-to-day operations of the Corporation to the CEO, which delegation shall be guided by the limitations set out in this Mandate, the strategic, operating, capital and financial plans approved by the Board from time to time and any other express limitation put in place by the Board from time to time.

2. Organization and Operation of the Board

Composition

- (a) The Board will be composed of a minimum of three and a maximum of 10 members, a majority of whom must qualify as "independent directors" under the rules of the applicable stock exchange(s) and corporate and securities laws, as determined by the Board.
- (b) The Chair of the Board will be an independent director. If this is not desirable in the circumstances an independent lead director shall be appointed.

Meetings

- (a) The Board shall meet at least once each fiscal quarter, and shall also meet at least once annually to review the Corporation's strategic plan and approve proposed annual operating and capital budgets.
- (b) The quorum at any meeting of the Board shall be a majority of directors in office.
- (c) The Chair of the Board and the Corporate Secretary shall develop the agenda for each meeting of the Board in consultation with the CEO and the lead independent director, if any. The agenda and the appropriate material shall be provided to directors of the Corporation on a timely basis prior to any meeting of the Board.
- (d) Independent directors will meet regularly without management present and without non-independent directors present.
- (e) Minutes of each meeting will be prepared and approved.
- (f) Unless otherwise requested by the Board, the CEO and, where appropriate, other executive officers of the Corporation and its consultants and advisors may be invited to attend meetings to provide additional input or insight to matters discussed at the meeting.

3. Director Share Ownership

To align directors' interests with those of shareholders of the Corporation, each director will be required to hold common shares of the Corporation valued at three times his or her annual retainer entitlement. Directors will have a period of three years from the date of their election to the Board to achieve the minimum shareholding requirement.

4. Specific Duties of the Board

In the course of discharging its responsibilities as described above, the Board will perform the specific duties set out below, and may direct any committee of the Board to consider any such matters and to report and make recommendations thereon. The following is not intended to be an exhaustive or comprehensive list of all actions directors must take in discharging its duties, nor is it intended to limit the Board's overall stewardship responsibility or its responsibility to supervise the management of the Corporation's business and affairs.

Specifically, the Board will:

Strategic Direction, Operating, Capital and Financial Plans

- (a) Require the CEO to present annually to the Board the Corporation's strategic initiatives and business plan, which must:
 - (i) be designed to achieve the Corporation's principal objectives;
 - (ii) identify the principal strategic factors and operational opportunities and risks of the Corporation's business; and
 - (iii) be approved by the Board as a pre-condition to the implementation of such plan.
- (b) Approve the annual operating and capital budgets with the Corporation's business plan and any material changes thereto.
- (c) Monitor the execution of the strategic initiatives and achievement of business plans by management and approve any significant or material change to such plans made necessary in light of changing circumstances.
- (d) Generally provide strategic advice and guidance to management and assess the effectiveness of strategic initiatives and business plans.
- (e) Identify and periodically review the principal risks of the Corporation's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks.
- (f) Subject to delegation by the Board to management and committees of the Board, review and approval all material transactions and investments.
- (g) Approve issuances of additional common shares or other securities of the Corporation.

Management

- (a) Select and appoint the CEO and determine the terms of the CEO's employment and, in consultation with the CEO, develop a clear written position description for the CEO.
- (b) Review and establish corporate and individual goals and objectives relevant to the compensation of the CEO and evaluate the performance of the CEO in light of such goals and objectives.
- (c) In consultation with the CEO, appoint all officers of the Corporation and approve terms of employment of each officer of the Corporation and each employee holding the title of President or Divisional President (or equivalent) at the Corporation or at one of its subsidiaries or divisions (collectively "senior executives").
- (d) Approve compensation levels (including incentive plan awards) for the CEO and each senior executive.
- (e) Approve all equity-based plans for the Corporation.

- (f) Satisfy itself, the extent possible, as to the integrity of the CEO and other senior executives and that senior management has fostered a culture of integrity throughout the organization.
- (g) Be responsible for the Corporation's succession planning, by monitoring the succession plan process for the Corporation (including the processes for appointment, training and evaluation of the CEO and executive officers).
- (h) Approve any proposed significant change in the management organization structure of the Corporation.
- (i) Approve any proposed retirement plans available to management of the Corporation.
- (j) In consultation with the CEO, establish a communications policy for the Corporation and establish processes pursuant to which the Board can receive feedback from shareholders of the Corporation.

Risk Oversight and Management and Financial Controls

- (a) Ensure that the Corporation maintains appropriate systems to manage the principal risks of the Corporation's business and periodically review and assess the Corporation's risk management programs.
- (b) Review and assess the quality and adequacy of risk-related information provided to the Board by management (directly or through its committees), to ensure the Board is made aware of material risks on a timely basis and to ensure the Board has sufficient information to evaluate such risks, their impact on the Corporation and management's proposed management of such risks.
- (c) Require that the CEO institute, and maintain the integrity of, internal control, disclosure control and management and information systems and periodically review and assess the effectiveness of such controls and systems.
- (d) In consultation with the CEO, establish at least annually the limits of management's authority and responsibility in conducting the Corporation's business as proposed in the annual operating and capital plans and on an individual transaction basis.
- (e) Review and approve material contracts not in the ordinary course of business to be entered into by the Corporation and material contracts related to (re)financing, equity, acquisitions, and divestitures.
- (f) Ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis. Take all necessary actions to ensure that all financial results made public by the Corporation (including the Corporation's annual and quarterly financial statements) are reported fairly and in accordance with generally accepted accounting principles and applicable legal disclosure requirements.
- (g) In consultation with the CEO, establish the ethical standards to be observed by all officers and employees of the Corporation and monitor compliance with those standards, including by adopting and reviewing, on a regular basis, the Corporation's Code of Business Conduct and Ethics applicable to the Corporation's directors, officers and employees.
- (h) Monitor compliance with all applicable laws and all significant corporate policies of the Corporation.

Governance

- (a) Develop the Corporation's approach to corporate governance and approve the Corporation's public disclosure regarding its corporate governance principles and guidelines.

- (b) Facilitate the continuity, effectiveness and independence of the Board by, amongst other things:
 - (i) selecting nominees for election to the Board;
 - (ii) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;
 - (iii) ensuring that processes are in place and are utilized to assess the size of the Board, the independence of directors, the effectiveness of the Chairman of the Board, the Board as a whole, each committee of the Board and each director; and
 - (iv) providing for an orientation and education to new members to the Board and continuing education opportunities to all directors as deemed necessary.
- (c) Review annually the adequacy and form of the compensation of directors and approve all changes thereto.
- (d) Ensuring that processes are in place for the assessment, on at least an annual basis, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.

Approved by the Board of Directors on March 16, 2017