

Mandate of the Board of Directors

Purpose

The purpose of this Mandate is to assist the members of the Board of Directors (the “**Board**”) of Crosswinds Holdings Inc. (the “**Corporation**”) in:

- a. satisfying their stewardship responsibilities to the Corporation;
- b. fulfilling their oversight responsibilities in respect of the management of the business and affairs of the Corporation; and
- c. ensuring sound and appropriate governance practices.

Director’s Duties

In fulfilling the obligations of this Mandate (and more generally as required under applicable law), each director will act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, skill and diligence that a reasonably prudent person would exercise in comparable circumstances.

Board Composition

The Board shall be comprised of that number of directors as shall be determined from time to time by the Board, in accordance with the Corporation’s articles, by-laws and applicable laws, in order to facilitate effective decision making.

All Board members will have the necessary skills and abilities appropriate to their appointment as directors. The Board recognizes that the right mix of experience and competencies will ensure that the Board is able to carry out its duties and responsibilities in the most effective manner.

A majority of the directors on the Board must be independent. The term “independent”, as used in this Mandate, will have the meaning ascribed to it by applicable securities laws. Independence will be regularly assessed by the Board in light of each director’s disclosed interests and materiality will be judged on a case-by-case basis with reference to each director’s individual circumstances.

Once elected, each director will serve until his or her resignation or his or her successor is duly appointed in accordance with the Corporation’s by-laws.

Stewardship Responsibilities

The Board of the Corporation assumes responsibility for the stewardship of the Corporation and, as an integral part of this stewardship responsibility, the Board has responsibility for the following matters:

A) Integrity and Performance of Management

To the extent feasible, the Board must satisfy itself as to the integrity of the chief executive officer (the “CEO”) and other senior officers and that the CEO and other senior officers have created, and continue to nurture, a culture of integrity throughout the organization. To this end, the Board will review and adopt a corporate code of business conduct for all employees and senior management.

In addition, the Board will on a regular and continuous basis oversee management’s performance in light of the Corporation’s strategic business plan and corporate objectives.

B) Strategic Planning

The Board believes in the importance of developing business plans to ensure the alignment of shareholder, Board and management views regarding the Corporation’s strategic direction and performance targets in order to achieve and act in the Corporation’s best interests. The Board has primary responsibility for the adoption of the strategic planning process of the Corporation. The Board will approve a strategic business plan (including annual budget) developed and proposed by management at least annually. The strategic plan will take into account the business opportunities and business risks of the Corporation and will detail the long-term business strategies of the Corporation. The Board will review with management from time to time the strategic planning environment, the emergence of new opportunities and risks and the implications of these developments for the strategic direction of the Corporation.

The Board will monitor the Corporation’s performance in light of the approved strategic plan. Any material deviations from the strategic plan are to be reported to and considered by the Board.

C) Risk Management

The Board will review and confirm annually that appropriate management systems are in place to identify the principal and material risks to the Corporation and its business and that appropriate procedures are in place to monitor and mitigate those risks.

The Board will review and confirm annually that necessary management processes are in place to address and comply with applicable regulatory, corporate, securities and other compliance matters.

The Board will review and confirm annually the integrity of the internal controls and management information systems of the Corporation.

The Board will review and confirm annually that sufficient policies and procedures designed to maintain appropriate auditing and accounting principles and practices are in place.

D) Succession Planning

The Board will (in conjunction with Corporate Governance, Compensation and Nominating Committee as may be appointed from time to time) review and confirm from time to time (as deemed necessary by the Board) that there is appropriate succession planning, including the appointment, training and monitoring of senior management of the Corporation and members of the Board.

E) Communications

The Board will review and approve at least annually the Corporation's communications policy, which includes a framework for investor relations and standards for public disclosure.

The Board will review and ensure that Corporation has in place the necessary policies and procedures addressing compliance with applicable law and best disclosure and corporate integrity practices, including the timely disclosure of relevant information and all regulatory reporting.

F) Corporate Governance

With the assistance of the Corporate Governance, Compensation and Nominating Committee, the Board is responsible for developing and for periodically updating (to ensure currency) the Corporation's approach to corporate governance, including a set of corporate governance principles and guidelines that are specifically applicable to the Corporation and that reflect applicable legal requirements and sound governance practices tailored for the Corporation.

G) Access to Information and Independent Professional Advice

Each director has the right to seek and retain independent professional advice concerning the Corporation and the fulfillment of the director's fiduciary obligations at the Corporation's expense, subject to the prior approval of the Chairman of the Board or a majority of the independent directors of the Board.

The Board has the authority to conduct or direct any investigation required to fulfill its responsibilities and has the ability to retain and terminate (as applicable), at the Corporation's expense, such legal, accounting or other services, consultants or experts as it considers necessary from time to time in the performance of its duties.

H) Confidentiality

Each director shall hold in the strictest of confidence and shall not use for any purpose, other than carrying out its duties and obligations under this Mandate, all information relating to the Corporation that is provided to the Board, in accordance with the requirements and principles of the Disclosure Policy, applicable law and the highest standards of fiduciary responsibility.

Approval Authority

In addition to those matters that require the approval of the Board under applicable laws, rules and regulations, the Board will also review and approve the following matters. The Board may delegate certain responsibilities to an appropriate committee of the Board if permitted by law and the relevant constating documents of the Corporation.

- a. Review and approval of the issuance of securities of the Corporation, and matters relating thereto, including: the approval of prospectuses, offering memoranda and approval of the execution of other material agreements and applications related thereto;
- b. Review and approval of the repurchase and cancellation of securities of the Corporation pursuant to normal course issuer bids;
- c. Implementation of option or other performance-based incentive plans for directors, officers, employees and consultants of the Corporation;
- d. Review and approval of credit facilities of the Corporation;
- e. Review and approval of interim and annual financial statements of the Corporation;
- f. Review and approval of interim and annual financial statements, management's discussion and analysis, information circulars, annual information form and other continuous disclosure reports issued to shareholders and filed on SEDAR;
- g. Review and approval of any press releases in respect of financial results for the Corporation;
- h. Approval of the calling of meetings of the shareholders of the Corporation or of unitholders of the Funds, and approval of record dates, notices, information circulars and forms of proxy relating thereto;
- i. Review and approval of all additional disclosure documents reasonably considered by management to have a reputational impact on the Corporation once publicly disclosed;
- j. Appointment of the Corporation's officers, the Chairman and Board committees;
- k. Approval of material investments and material contracts, including those with third and related parties;
- l. Review and approval of an annual budget and business plan for the Corporation; and
- m. Consider and, in the Board's discretion, approve any other matters recommended by the Board's committees or proposed by management.

Board Performance

The Board will oversee the process of the Corporate Governance, Compensation and Nominating Committee's regular evaluation of the performance and effectiveness of the Board and all individual directors.

Each director will participate in the performance evaluation process administered by the Corporate Governance, Compensation and Nominating Committee.

The Board will receive and consider a report and recommendations from the Corporate Governance, Compensation and Nominating Committee on the results of the bi-annual evaluation of the performance and effectiveness of the Board and all individual directors.

At least annually, the Board will review the director's compensation as compared to current market rates and adjust such compensation accordingly, if deemed appropriate by the Board.

Committees

The Board will establish the Corporation's Audit Committee and the Corporation's Corporate Governance, Compensation and Nominating Committee. On an annual basis, the Board will approve each respective committee's written charter and the limits of authority delegated to each committee.

The Board may delegate certain responsibilities to an appropriate committee of the Board if permitted by law and the relevant constating documents of the Corporation.

The Board may, at its discretion, appoint any other committee that it deems necessary and delegate to such committee any appropriate powers of the Board. On an annual basis, the Board will approve any additional committee's written charter and the limits of authority delegated to such committee.

Upon the recommendation of the Corporate Governance, Compensation and Nominating Committee, the Board will annually appoint the Chairman of each Board committee and reconfirm the members of each committee keeping in mind the membership requirements for each committee as stated in that committee's written charter, applicable laws and the Corporation's by-laws.

Independent Directors

The Independent members of the Board will have the opportunity to meet in camera on every occasion that the Board meets. The Independent members of the Board will be responsible for, among other things:

- a. matters in relation to which non-Independent members of the Board may have, or may be perceived to have, a conflict of interest;
- b. all matters requiring independent director oversight and approval in accordance with applicable law; and
- c. without limitation to clause a above, approval of any senior management executive compensation or similar arrangements or changes to such agreements.

All minutes of meetings of the Independent members of the Board will be kept separate from those minutes of the Board and minutes of a particular meeting will not be generally accessible by members of the Board who have a declared conflict of interest with respect to the subject matter of a particular meeting, as determined by counsel.

Amendments

Authority to make minor technical amendments to this Mandate is delegated to the Corporate Secretary, who will notify the Corporation's Corporate Governance, Compensation and Nominating Committee of the nature of such amendments at the next scheduled meeting.

On a regular basis, and in any event as frequently as determined by the Corporate Governance, Compensation and Nominating Committee, this Mandate will be fully evaluated and updated accordingly with any amendments to be recommended to the Board for consideration.

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