



Board of Directors Mandate

1. Purpose and Authority

The Board of Directors (the “**Board**”) has the responsibility for the overall stewardship of the conduct of the business of New Gold Inc. (the “**Company**”) and the activities of management, which is responsible for the day-to-day conduct of the business. The Board’s fundamental objectives are to enhance and preserve long term shareholder value, and to ensure that the Company meets its obligations on an ongoing basis and operates in a reliable, sustainable, safe and socially responsible manner. In performing its functions, the Board should also consider the legitimate interests its other key stakeholders, such as employees, customers, Indigenous peoples and communities in which it operates, may have in the Company. In overseeing the conduct of the business, the Board, through the President and Chief Executive Officer (“**CEO**”), shall set the standards of conduct for the Company.

2. Composition, Procedures and Organization

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs, including selecting its chair (“**Chair**”), nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles of the Company and the *Business Corporations Act* (British Columbia) (the “**Act**”), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

The Chair or any two independent members of the Board may call a meeting of the Board. A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Chair to take minutes) shall have the responsibility for taking minutes of all meetings of the Board and for circulating drafts of such minutes to the Chair promptly following each meeting. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Chair to take minutes) shall present draft minutes from the previous meeting at the next succeeding Board meeting for comments, approval and execution. In the case of an equality of votes at a meeting of the Board, the chair of the meeting shall not have a second or casting vote.

The Board shall have access to such officers and employees of the Company, its external auditors and its legal counsel and to all such information respecting the Company as the Board considers to be necessary or advisable in order to perform its duties and responsibilities.

3. Duties and Responsibilities

The Board’s principal duties and responsibilities fall into a number of categories which are outlined below.

3.1 Legal Requirements

- a. The Board, together with management, has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
- b. The Board has the statutory responsibility to:
 - i. manage or, to the extent it is entitled to delegate such power, supervise the management of the business and affairs of the Company by the senior officers of the Company;
 - ii. act honestly and in good faith with a view to the best interests of the Company;
 - iii. exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
 - iv. act in accordance with its obligations contained in the Act and the regulations thereto, the Company's Articles, applicable corporate and securities laws and all applicable stock exchange requirements.

3.2 Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including having a majority of directors who are "independent" as defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and under applicable stock exchange requirements. The Board, in consultation with the Corporate Governance and Nominating Committee will, at least annually, review the relationship of each director and the Company to determine if each director is or remains "independent" within the meaning of NI 58-101 and applicable stock exchange requirements. In addition, the independent directors shall hold an in camera session without the presence of management or any non-independent directors at each meeting.

In determining the independence of any member of the Board, the Board will consider all relevant factors, including any relationship a director has with the Company, its management, its shareholders and other direct or indirect material relationships which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Board member's independent judgment.

3.3 Strategy Determination

The Board has the responsibility to ensure that there are long term goals and a strategic planning process in place for the Company and to participate, at least annually, with management, directly or through the Board's committees, in developing and approving the plan by which the Company proposes to achieve its goals, which plan takes into account, among other things, the opportunities and risks of the Company's business with a view to the best interests and long term sustainability of the Company.

3.4 Managing Risk

The Board has the responsibility to oversee the identification and assessment of, and to understand, the principal risks of the business in which the Company is engaged, to ensure a proper balance is achieved between risks accepted and the potential return to shareholders, to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long term viability of the Company, and to ensure the material business risks are publicly disclosed by the Company in accordance with applicable laws.

3.5 Culture and Sustainability

The Board has the responsibility to promote a culture of integrity, ethical leadership, diversity, inclusion and sustainability within the Company, including to oversee the Company's overall human resources strategy and the Company's strategy and practices relating to sustainability (including health, safety, environmental and corporate social responsibility) matters.

3.6 Division of Responsibilities

The Board has the power to:

- a. appoint and delegate responsibilities to committees and/or individual directors where appropriate to do so; and
- b. approve position descriptions for:
 - i. its individual members and/or the individual members of committees of the Board;
 - ii. the Chair of the Board;
 - iii. the CEO; and
 - iv. the Chief Financial Officer.

The Board shall be responsible for ensuring that the Company's officers and the directors and officers of the Company's subsidiaries, if any, are qualified and appropriate in keeping with the Company's corporate governance policies and strategic goals.

To assist it in exercising its responsibilities, the Board has established four standing committees of the Board: the Audit Committee, the Human Resources and Compensation Committee, the Corporate Governance and Nominating Committee and the Technical and Sustainability Committee. The Board may establish other standing or *ad hoc* committees from time to time which will function in accordance with such committee's charter.

Each committee shall have a written charter that clearly establishes its purpose, responsibilities, composition, structure and functions. Each committee charter shall be reviewed by the Board, in consultation with the Corporate Governance and Nominating Committee, at least annually. The Board is responsible for appointing the committee members, including the chair of each committee.

3.7 Appointment, Training and Monitoring Senior Management

The Board has the responsibility, among other things:

- a. to appoint and oversee the succession of the CEO, to monitor and assess the CEO's performance and effectiveness, to satisfy itself as to the integrity of the CEO, and to provide advice and counsel in the execution of the CEO's duties;
- b. to develop or approve the corporate goals or objectives that the CEO is responsible for;
- c. to approve the appointment of all corporate officers, acting on the advice of the CEO, and to satisfy itself as to the integrity of such corporate officers;
- d. to ensure that adequate provision has been made to train, develop and monitor management and for the orderly succession of management;
- e. to promote a culture of integrity, diversity, inclusiveness and respect throughout the Company;
- f. to ensure that management is aware of the Board's expectations of management; and
- g. to avail itself collectively and individually of the open access to the Company's senior management and to advise the Chair of the Board of significant matters discussed.

3.8 Policies, Procedures and Compliance

The Board has the responsibility:

- a. to ensure with management that the Company operates at all times within applicable laws, regulations and ethical standards, including applicable stock exchange requirements; and
- b. to approve and monitor compliance with significant policies and procedures by which the Company is operated.

3.9 Reporting and Communication

The Board has the responsibility:

- a. to ensure the Company has in place policies and programs to enable the Company to communicate timely and effectively with its shareholders, other key stakeholders and the public generally, including having appropriate disclosure controls and procedures;
- b. to ensure that the financial performance of the Company is adequately reported by management to shareholders, other securityholders and regulators on a timely and

regular basis as required by applicable laws and stock exchange requirements, including having appropriate internal controls over financial reporting;

- c. to oversee the external and internal audit functions of the Company;
- d. to ensure that reasonable processes are in place to assure the timely and accurate reporting by management of developments that would reasonably be expected to have a significant or material impact on the market price or value of the Company's securities;
- e. to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year;
- f. to develop appropriate measures for receiving shareholder feedback; and
- g. to develop and oversee the Company's approach to corporate governance, including the Company's corporate governance policies, principles and guidelines.

3.10 Monitoring and Acting

The Board has the responsibility:

- a. to monitor the Company's progress towards its strategic goals and objectives and to revise and alter its direction through management in response to changing circumstances or needs;
- b. to oversee and approve the overall capital and financial structure of the Company and to review and approve all material or strategic projects or transactions which exceed threshold levels established by the Board;
- c. to take action when performance falls short of its goals and objectives or when other circumstances warrant; and
- d. to ensure that the Company has implemented adequate internal control and management information systems which ensure the effective discharge of the Board's responsibilities, including appropriate cybersecurity and information technology infrastructure and programs.

3.11 Membership and Composition

The Board has the responsibility to determine:

- a. its appropriate size and composition;
- b. the relevant criteria for proposed nominations to the Board, having regard to required skills, expertise and other qualities, including independence and diversity;

- c. any maximum number of boards or other engagements considered appropriate for directors, having regard to whether they are independent directors or members of management;
- d. the recommended compensation of directors for their services in that role, after consideration by the Corporate Governance and Nominating Committee; and
- e. the number of meetings of the Board to be held each year; provided that the Board shall meet at least on a quarterly basis.

3.12 Education and Assessment

Members of the Board are expected to attend all meetings of the Board in person or by telephone or other electronic communications device that permits all members participating in the meeting to speak and to hear each other, to devote the necessary time and attention to the work of the Board, and to have reviewed Board materials in advance and be prepared to discuss such materials.

The Board has responsibility to ensure that a process is in place so that all new directors receive a comprehensive orientation and fully understand the role of the Board and its committees, the nature and operation of the Company's business and strategies, the expectations for directors and the contribution that individual directors are required to make. In addition to an initial orientation, members of the Board are expected to pursue ongoing educational opportunities, such as in-house and external seminars and conferences, as appropriate to assist them in better performing their duties, and directors are encouraged to visit one of the Company's sites at least once every two years.

Members of the Board will be required to annually assess their own effectiveness and contribution as directors, and the effectiveness of the Board and its committees.

3.13 Third Party Advisors

The Board, and any individual director with the prior approval of the Board, may retain at the expense of the Company, independent counsel and such advisors as it considers to be necessary or advisable in order to properly perform its duties and responsibilities.

4. Chair of the Board

4.1 The Chair of the Board will provide leadership to directors in discharging their duties as set out in this Mandate, including by:

- a. leading, managing and organizing the Board consistent with the approach to corporate governance adopted by the Board from time to time;
- b. promoting cohesiveness among the directors;
- c. being satisfied that the responsibilities of the Board and its committees are well understood and carried out by the directors; and
- d. communicating with members of the Board between meetings of the Board.

4.2 The Chair will assist the Board in discharging its stewardship function, including by:

- a. presiding over all meetings of shareholders of the Company;
- b. together with the Chair of the Corporate Governance and Nominating Committee, reviewing the committees of the Board, the composition and chairs of such committees;
- c. together with the Chair of the Corporate Governance and Nominating Committee, ensuring that the Board, committees of the Board, individual directors and senior management of the Company understand and discharge their duties and obligations under the Company's system of corporate governance; and
- d. consulting with committee chairs and overseeing and monitoring the work of committees of the Board.

4.3 In addition, in conjunction with the Chair of the Corporate Governance and Nominating Committee, the Chair will ensure that:

- a. all directors receive updates to Company policy documents and changes to applicable laws and stock exchange requirements, including major public policy and regulatory initiatives relating to the Company's business;
- b. regular discussions relating to corporate governance issues and directors' duties are conducted at Board meetings;
- c. the Company's policies are reviewed and updated by the Board as new rules or circumstances dictate; and
- d. appropriate funding is available to directors to attend external seminars or conferences relevant to their positions as directors of the Company.

4.4 In connection with meetings of the directors, the Chair will be responsible for the following:

- a. scheduling meetings of the directors, including in camera sessions;
- b. coordinating with the chairs of the committees of the Board to schedule meetings of the committees;
- c. as and when required, coordinating the appointment of ad hoc or special committees of the Board;
- d. reviewing items of importance for consideration by the Board;
- e. ensuring that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to manage or supervise the management of the business and affairs of the Company;
- f. setting the agenda for meetings of the Board;

- g. monitoring the adequacy of materials provided to the directors by management in connection with the directors' deliberations, including the Board's access to appropriate members of management and employees as required or appropriate;
- h. acting as the principal liaison between the Board and the CEO;
- i. ensuring that the directors have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board;
- j. presiding over meetings of the directors, including in camera sessions of the independent directors; and
- k. encouraging free and open discussion at meetings of the Board.

5. Committee Chairs

The Chair of any duly constituted committee of the Board will, in addition to such other duties as may be delegated to him or her by the Board or set out in the applicable committee charter:

- a. provide leadership to the committee with respect to its functions as described in the committee's charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the committee;
- b. chair meetings of the committee, unless not present, including in camera sessions, and report to the Board following each meeting of the committee on the key findings, activities and any recommendations of the committee;
- c. ensure that the committee meets on a regular basis and at the number of times per year required by the committee's charter;
- d. in consultation with the Chair of the Board and the committee members, establish a calendar for holding meetings of the committee;
- e. establish the agenda for each meeting of the committee, with input from other committee members, the Chair of the Board, senior management and any other parties, as applicable;
- f. act as liaison and maintain communication with the Chair of the Board and the Board to optimize and co-ordinate input from Board members, and to optimize the effectiveness of the committee. This includes reporting to the full Board on all proceedings and deliberations of the committee at the first meeting of the Board after each committee meeting and at such other times and in such manner as the committee chair considers advisable;
- g. report annually to the Board on the role of the committee and the effectiveness of the committee's role in contributing to the objectives and responsibilities of the Board as a whole;

- h. ensure that the members of the committee understand and discharge their duties and obligations;
- i. foster ethical and responsible decision making by the committee and its individual members;
- j. together with the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the committee from time to time;
- k. ensure that resources and expertise are available to the committee so that it may conduct its work effectively and efficiently and pre-approve work to be done for the committee by consultants or other advisors;
- l. facilitate effective communication between members of the committee and management; and
- m. perform such other duties and responsibilities as may be delegated to the chair of the committee by the Board from time to time.

6. Review

The Corporate Governance and Nominating Committee will annually review this Mandate and submit any recommended changes to the Board for approval.

Last updated, reviewed and approved by the Board on November 25, 2020.