

**HIGH LINER FOODS INCORPORATED**  
**BOARD OF DIRECTORS CHARTER**  
**NOVEMBER 6, 2020**

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This Board Charter reflects consideration of the Memorandum and Articles of Association of High Liner Foods Incorporated, the *Companies Act* of Nova Scotia and other legislation and laws applicable to the operation and governance of the Company.

**1. STATEMENT OF POLICY**

The Board of Directors of High Liner Foods Incorporated (the "Company") is elected by shareholders to oversee the management of the business and affairs of the Company. The Board of Directors is the steward of the Company and must ensure the viability of the Company and see that it is managed in the interest of the shareholders as a whole. The Board of Directors advises the Chief Executive Officer and other senior managers of the Company's business and affairs.

**2. COMPOSITION AND ORGANIZATION OF THE BOARD**

**(a) Size of the Board**

Unless otherwise determined by the shareholders of the Company in general meeting, the number of Directors shall not be less than one or more than seventeen.<sup>1</sup>

**(b) Qualification of Directors**

A Director must hold at least one common share in the Company and must acquire such share within a reasonable time following appointment.<sup>2</sup> To align the interests of Directors with Shareholders, Directors are further required to hold common shares (or deferred share units) valued at not less than one times the annual retainer of the Director within one year of appointment of such Director.

**(c) Selection of Members**

The Governance Committee ("GC") of the Board acts as the nominating committee for appointments to the Board. The GC shall be comprised only of independent directors and shall maintain an overview of the ideal size of the Board, the need for recruitment and the expected experience of new candidates. It shall review and recommend to the Board the candidates for nomination as Directors, based on the Director Selection Criteria adopted by the GC from time to time. The Board shall approve the final choice of candidates for nomination and election by the shareholders.

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<sup>1</sup> Article 93 of the Company's Articles of Association

<sup>2</sup> Article 94 of the Company's Articles of Association

**(d) Independence**

A majority of the Board shall be composed of Directors who are determined by the Board to be unrelated and independent under the laws, regulations and listing requirements to which the Company is subject from time to time.

**(e) Chairman and Lead Director Roles**

The Board shall appoint its Chairman from among the Company's Directors. The Chairman shall not be a member of Company management. Where the Chairman is not regarded by the Board as independent for purposes of applicable laws, regulations and/or listing requirements, the Board shall also appoint a Lead Director, who shall be independent pursuant to such rules.

**(f) Term of Appointment**

The Directors are elected by the shareholders at every Annual General Meeting. The term of each Director expires at the close of the Annual General Meeting following that at which he or she was elected.<sup>3</sup> Notwithstanding the foregoing:

- (i) a director who has a change in their principal employment (other than merely a geographic change) is expected to offer a letter of resignation to the Chairman of the Board for consideration. The GC of the Board will consider whether to recommend that the Chairman accept or reject the resignation;
- (ii) in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender a resignation to the Chairman of the Board promptly following the annual meeting. The GC will consider the offer of resignation and, except in special circumstances, will recommend that the board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the annual meeting, including the reasons for rejecting the resignation, if applicable; and,
- (iii) a Director who displays a change in the exercise of his or her powers and in the discharge of duties that, in the opinion of at least 75 percent of the Directors, is incompatible with the duty of care and loyalty the Director owes the Company under applicable corporate law, shall be expected to offer forthwith a letter of resignation to the Chairman of the Board for consideration. The GC will consider whether to recommend that the Chairman accept or reject the resignation.

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<sup>3</sup> Article 113 of the Company's *Articles of Association*

### 3. MEETINGS OF THE BOARD

#### (a) Board Agenda

The Chairman of the Board, in consultation with Lead Director (where applicable) and with the appropriate members of Management, develops the agenda for Board Meetings.

#### (b) Board Material Distribution

Information and materials that are important to the Board's understanding of the agenda items and enable the Board's stewardship responsibilities shall be distributed in advance of every meeting of the Board. Management of the Company will deliver information on the business, operations and finances of the Company to the Board on a monthly basis and on an as-required basis. Minutes of all committees of the Board shall be circulated to all directors once the minutes have been approved.

#### (c) Board Meeting Frequency and Schedule

A minimum of five regularly scheduled Board meetings shall be held each year. Additional meetings may be held when required. The Chairman of the Board, in consultation with the Directors and Management, will set the frequency and length of Board meetings. Board members may participate in meetings by means of telephone conference calls or similar communications equipment.

#### (d) Management at Meetings and *In-Camera* Meetings

Management participates in meetings and makes presentations to allow Directors to gain additional understanding and insight into the Company's businesses, and to assist the Directors in evaluating the competencies of Management. However, every meeting of the Board shall be followed by an *in-camera* session at which no executive Directors, non-independent members of the Board, or other members of Management are present, to ensure free and open discussion and communication among the non-executive/independent Directors.

### 4. DUTIES AND RESPONSIBILITIES OF THE BOARD

In addition to its statutory responsibilities, the Board of Directors has the following duties and responsibilities, which it may choose to delegate to a committee of its choosing:

- (a) Adopting a strategic planning process, and thereafter reviewing and approving the overall business strategy for the Company developed at first by Management;
- (b) Identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;

- (c) Appointing the Company's President and Chief Executive Officer, developing his or her position description and ensuring succession preparedness;
- (d) Reviewing and approving at least on an annual basis the corporate objectives which the Chief Executive Officer shall be responsible for meeting;
- (e) Ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of Management;
- (f) Providing a source of advice and counsel to Management on critical and sensitive problems or issues;
- (g) Reviewing and approving key policy statements developed by Management on various issues such as ethics, compliance, communications, environment and safety, and public disclosures;
- (h) Ensuring that its expectations of Management are understood, that the appropriate matters come before the Board and that the Board is kept informed of shareholder perspectives;
- (i) Reviewing the competency of members of senior Management to perform their roles, that their performance is continually evaluated, and that planning for their succession is ongoing;
- (j) Conducting an annual review of Board practices and Board and Committee performance (including Directors' individual contributions);
- (k) Reviewing the adequacy and form of the compensation of non-executive Directors and ensuring their compensation adequately reflects the responsibilities and risks involved in being an effective Director;
- (l) Evaluating the performance and compensation of the President and Chief Executive Officer and ensuring that such compensation is competitive and measured according to benchmarks which reward contribution to shareholder value;
- (m) Selecting nominees for election of Directors;
- (n) Selecting the Chairman, and where necessary the Lead Director, of the Board;
- (o) Ensuring that new Directors are provided with adequate education and orientation facilities;
- (p) Developing and reviewing from time to time position descriptions for the Board;
- (q) Overseeing the quality and integrity of the Company's accounting and financial reporting systems, disclosure controls, and procedures and internal controls;
- (r) Approving projects and expenditures or dispositions of a certain threshold, in accordance with the Company's Transaction Approval Policy; and
- (s) Discussing and developing the Company's approach to corporate governance in general.

## **5. BOARD COMMITTEES**

### **(a) Number, Structure and Jurisdiction of Committees**

The Board delegates certain functions to Committees, each of which (other than the Executive Committee) has a written charter. There are four Committees of the Board: the Human Resources Committee ("HR"), the Audit Committee, the GC and the Executive Committee. The Executive Committee is mandated to act on certain

matters delegated by the Board from time to time, or in necessary circumstances where it is impracticable to convene the full Board. The roles and responsibilities of each of the HR, GC and Audit Committees are described in the respective Committee charters.

**(b) Independent Committee Members**

Members of the Audit Committee, the GC and a majority of the HR shall be unrelated and independent under the laws, regulations and listing requirements to which the Company is subject. The GC shall review and recommend the memberships and mandates of the various Committees to the Board.

**(c) Committee Agendas**

The Chairman of each Committee, in consultation with the appropriate members of Management, develops the agenda for Committee meetings.

**(d) Committee Reports to the Board**

At the next Board meeting following each meeting of a Committee, the Committee Chairs shall report to the Board on the Committee's activities. Minutes of Committee meetings are provided to all Directors.

**(e) Assignment and Rotation of Committee Members**

The GC has responsibility for recommending the assignment and rotation of Committee Members. Rotation is not required, but changes should be considered occasionally to accommodate the Board's requirements and individual interests and skills.

**6. ADMINISTRATIVE MATTERS**

**(a) Board Performance Assessment**

The Board will ensure that regular formal assessment of the Board, its Committees and the individual Directors are carried out in order to enhance their performance.

**(b) Board Compensation**

The GC of the Board regularly reviews and makes recommendations on Director compensation, based on external market surveys and benchmark data. The Board must formally approve any proposed change to the compensation of Directors.

(c) **Board Confidentiality**

Directors will maintain the absolute confidentiality of the deliberations and decisions of the Board of Directors and information received at meetings, except as may be specified by the Chairman or if the Company publicly discloses the information. Directors shall execute the Company's Code of Conduct.

(d) **Board Visits**

Visits by the Directors should be made to the Company's plants and business locations in different parts of North America to meet local personnel and to gain insight into the Company's business and operations.

(e) **Orientation and Information**

The Company's Corporate Secretary shall prepare a *Directors' Manual* containing information on the Company, its policies, and Director responsibilities and liabilities, which is updated as necessary. Detailed current information on the Company, its businesses, operations and finances, are sent on a monthly basis to the Directors. Particularly important items and information requiring urgent attention is conveyed immediately. In addition, new Directors spend time with members of senior Management, including those involved in the Company's business operations, so that they can become rapidly familiar with the Company, its issues, businesses and operations. Care is taken to ensure that new Directors understand the roles and responsibilities of the Board and its Committees, as well as the commitment level that the Company expects of its Directors.

7. **RESOURCES AND AUTHORITY OF THE BOARD**

The Board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, without seeking the approval of Management. Individual directors may retain independent counsel or advice on the approval of the Audit Committee.