

## **BOARD OF DIRECTORS MANDATE**

### **PURPOSE**

The duties and responsibilities of Directors follow from applicable corporate laws, as well as those duties and responsibilities generally agreed and approved by the Board. The intent is that the duties and responsibilities guide the Board in complying with all applicable Canadian and U.S. legal and regulatory requirements.

Directors, collectively and individually, are accountable to the Shareholders of PEI.

### **MANDATE**

The Board must ensure the long-term financial viability and operational efficiency of PEI. To help meet these objectives the Board must establish, implement and monitor procedures, policies and processes. Specifically, the Board must:

- select and appoint directors and evaluate the President and CEO of the Corporation;
- plan the succession of the Board;
- ensure an appropriate, formal orientation program for new Directors;
- assess the contribution of the Board, committees and all Directors annually; and,
- ensure that the Corporation performs efficiently and in accordance with its mandate by reviewing and approving:
  - the strategic direction of the Corporation, including the establishment of a strategic planning process and the monitoring of performance versus plans;
  - annual budgets as well as corporate objectives, including monitoring of performance and compliance;
  - the principal risks to the Corporation and ensuring the implementation of systems to manage these risks;
  - the internal control systems and disclosure control systems and processes, as evidenced in the Management Responsibility for Internal Control Policy and the Disclosure Policy;
  - succession planning, including appointing, training and monitoring the performance of senior management; and,
  - the compensation of the senior management team.