



## **MANDATE OF THE BOARD OF DIRECTORS & CORPORATE GOVERNANCE GUIDELINES**

This Mandate of the Board of Directors & Corporate Governance Guidelines (“Mandate & Governance Guidelines”) sets out discussions on:

1. Board Mandate - Duties and Responsibilities of the Board
2. Management’s Role
3. Board Composition
4. Position Description for the Non-Executive Chair of the Board
5. Position Description for the Lead Director
6. Board Operations
7. Board Committees

### **1. BOARD MANDATE - DUTIES AND RESPONSIBILITIES OF THE BOARD**

The Board of Directors (the “Board”) of Bird Construction Inc. (the “Company” or “Bird”) is responsible for the stewardship and oversight of the management of the Company in accordance with obligations under the articles of incorporation, by-laws and applicable laws.

Within its stewardship responsibility, the Board’s role is to preserve and enhance the viability of the Company and to ensure that it is managed with a view to the best interests of the Company and the Company’s shareholders (“Shareholders”). In carrying out these responsibilities and discharging its obligations, the Board will, either directly or through its committees, perform the duties and adhere to the guidelines set out in this Mandate & Governance Guidelines.

The duties and responsibilities of the Board include stewardship and oversight in the following areas:

#### **1.1 Strategic Planning and Performance**

- a) Approving the Company’s vision, mission and value statements.
- b) Reviewing the effectiveness of the Company’s strategic planning process and annually approving the business plan and strategic plan.
- c) Monitoring the Company’s performance against the overall business objectives and strategic plans and taking action when performance falls short of its goals or when other special circumstances (for example acquisitions) warrant it.

- d) Establishing annual performance expectations and corporate goals and objectives for the President & Chief Executive Officer (CEO), monitoring progress against those expectations and taking appropriate action when performance falls short.
- e) Reviewing and approving all major strategic initiatives, investments and transactions.

## **1.2 Principal Risks**

- a) Overseeing risk management at the Company, balancing risks and rewards while ensuring that management has in place policies, processes and procedures designed to identify and effectively measure, manage and mitigate the principal risks of the Company's business.
- b) Reviewing the systems implemented by management to manage the Company's risk and approve the Company's risk appetite.
- c) Reviewing and approving significant policies and practices that ensure compliance with applicable regulatory, corporate, securities and other legal requirements.
- d) Reviewing the principal risks of the Company's business and the appropriateness of the systems put in place to measure, manage and mitigate these risks.

## **1.3 Executive Management Team**

- a) Selecting the President & Chief Executive Officer and approving the selection of the other executive officers of the Company.
- b) Satisfying itself, to the extent feasible, of the integrity and effectiveness of the President & Chief Executive Officer and the other executive officers of the Company.
- c) Establishing an effective system of remuneration that is congruent with the Company's strategic plans.
- d) Overseeing the Company's succession planning process including the appointment, training, compensation and performance assessment of the non-executive Chair of the Board (the "Chair"), Board committee chairs, directors of the Board ("Directors"), the President & Chief Executive Officer and other executive officers of the Company.
- e) Delegating to management powers to effectively manage the Company. In particular, in respect of, the day-to-day business of the Company, within a policy and budget framework established by the Board.

## **1.4 Financial Reporting and Internal Controls**

- a) Reviewing the effectiveness of the Company's internal controls and management information systems.
- b) Reviewing and approving the Company's annual and quarterly financial statements and management discussion and analysis, annual information form, management proxy circular and other public disclosure documents that require board approval.

- c) Overseeing compliance with applicable audit, accounting and reporting requirements.
- d) Approving dividends, as well as capital allocations, expenditures and transactions which exceed threshold amounts set by the Board.

## **1.5 Governance**

- a) Providing stewardship and using its collective expertise, skills, experiences and competencies, to probe, provide proactive, timely, objective and thoughtful guidance to, and oversight of, senior management.
- b) Developing the Company's approach to corporate governance, including establishing and maintaining corporate governance guidelines.
- c) Establishing appropriate structures and procedures to allow the Board to function independently of management.
- d) Establishing Board committees, appointing Board committee chairs and approving their respective charters to assist the Board in carrying out its duties and responsibilities.
- e) Evaluating, on a regular basis, the Board, its committees and individual directors, and reviewing the composition and size of the Board and its committees with a view to the skills, contribution, effectiveness and independence of the Board and its members.

## **2. MANAGEMENT'S ROLE**

The Board delegates to senior management the authority and responsibility for day-to-day affairs and reviews senior management's performance and effectiveness. Senior management is accountable for implementing the Board's decisions, and is responsible for directing and overseeing the operations of the Company. The CEO and the members of the executive team, which including the CEO is comprised of the Chief Operations Officer, the Chief Financial Officer, the Senior Vice President - Risk Management, the Executive Vice President - Commercial and Executive Vice President - Industrial, have written mandates describing their roles and responsibilities.

The executive team is responsible for the Company's strategy and its execution. The executive team actively shapes and recommends the Company's risk appetite for approval by the Board. The executive team is responsible for ensuring that Company's overall risk profile is consistent with its strategic objectives and approved risk appetite and that there are ongoing appropriate and effective risk management processes.

## **3. BOARD COMPOSITION**

### **3.1 Objectives of Board Composition**

The composition of the Board should balance the following objectives:

- a) The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully.

- b) The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the affairs and business of the Company.
- c) Membership on the Board shall include an appropriate number of members whom the Board has determined have no material relationship with the Company or the Company's principal Shareholders and who are otherwise considered independent as contemplated by the corporate governance guidelines published by the Canadian Securities Administrators (the "CSA") and under the rules of the Toronto Stock Exchange ("TSX").

### **3.2 Selection of Directors**

The Human Resources, Safety and Governance Committee (the "HRS&G Committee") is responsible for recommending to the Board, from time-to-time, a list of potential Directors meeting the Company's general criteria for Board membership, as well as suitable nominees to fill specific vacancies occurring between annual meetings of Shareholders. The processes used by the committee, as well as the basis for its recommendations, are outlined in the HRS&G Committee Charter. The Board is responsible for selecting nominees for election to membership on the Board for presentation at the annual meeting of Shareholders.

### **3.3 Director Tenure**

Following the attainment of age 75, a Director will offer to retire from the Board at the next annual meeting of Shareholders. The Board will collectively evaluate the performance of the Director and may, if it is in the best interest of the Company, request that the Director stand for re-election for an additional year. This process will continue on an annual basis until such time as either the Board accepts the member's offer to retire or the Board member resigns from the Board.

In addition, a Director is expected to submit his or her resignation to the Chair for determination by the Board upon recommendation of the HRS&G Committee where the qualifications, independence or other credentials of the Director change, the Director fails to receive a majority of votes for election at an uncontested Shareholder meeting or the Director is no longer qualified under applicable laws.

A Director shall use reasonable best efforts to provide at least one year's notice to the Board of his or her intention to not stand for re-election or to retire from the Board, or any committee of the Board

### **3.4 Independence**

As a public company listed on the TSX, the Company is subject to various guidelines, requirements and disclosure rules governing independence of the Board and its committees, including independence of the members of the Audit Committee and the HRS&G Committee.

The Board maintains a majority of independent Directors to ensure it operates effectively and independently of management. All members of the Board's standing committees must be independent. Subject to applicable laws, rules and regulations regarding director independence, a Director is independent if he or she does not have a direct or indirect relationship with the Company that could reasonably be expected to interfere with his or her ability to exercise independent judgment.

To facilitate open and candid discussion, in-camera sessions without management present are held at every Board and every committee meeting.

### **3.5 Majority Voting Policy**

The Board has in place a written Majority Voting Policy which reflects the requirements of the TSX. In an uncontested Board election, any nominated Director must immediately tender his or her resignation if he or she receives a greater number of shares withheld than shares voted in favour of his or her election. The Board will determine whether to accept the resignation within 90 days. Absent exceptional circumstances, the Board will accept the resignation. A resignation will be effective when accepted by the Board. A Director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or committee at which the resignation is considered. The Company will promptly issue a news release with the Board's decision. If the Board determines not to accept the resignation, the news release will fully state the reasons for that decision.

## **4. POSITION DESCRIPTION FOR THE NON-EXECUTIVE CHAIR OF THE BOARD**

### **4.1 Duties of the Chair of the Board**

The Chair of the Board will provide leadership to the Board with respect to its functions as described in this Mandate & Governance Guidelines and as otherwise may be appropriate. The Chair will act as chair of meetings of the Board and, for such purpose, take primary responsibility for shaping Board agendas in collaboration with the Lead Director, consult with the Corporate Secretary and Directors to ensure that Board agendas and information provided to the Board are what is needed to fulfill its primary responsibilities.

The Chair will oversee the preparation for and management of, and he or she shall preside over, meetings of the Shareholders.

The duties and responsibilities for the position of Chair will also include the following:

- a) Establishing procedures to govern the Board's work including the location and time of meetings of the Board and the procedures to be followed with respect to meetings of the Board, including determining who may be present at such meetings in addition to the Directors and the Corporate Secretary.
- b) Ensuring the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements.
- c) Working with the chairs of the Board committees to coordinate the schedule of meetings for such committees.
- d) Ensuring that delegated committee functions are carried out and reported to the Board.
- e) Attending, as required, all meetings of Board committees.
- f) Meeting periodically with the Corporate Secretary to review governance issues including the level of communication between management and the Board.

- g) In conjunction with the HRS&G Committee, ensuring the effectiveness of the Board and individual Directors including initiating performance discussions with individual Directors when appropriate.
- h) Acting, as necessary, as liaison between the Board and the Company's shareholders and other stakeholders.
- i) Chairing all annual and special meetings of the Shareholders.
- j) Facilitating a candid and full discussion of all key matters that come before the Board, ensuring that sufficient time is allotted during Board meetings for this and ensuring that the independent Directors have adequate opportunities to meet to discuss matters without management present and that decisions are made on a sound and well-informed basis.
- k) Carrying out such other duties as may be reasonably requested by the Board, depending on its evolving needs and circumstances.

## **4.2 Appointment**

The Chair will be appointed by the Board after consideration of the recommendation of the HRS&G Committee. He or she will hold office until the first meeting of the Directors following the annual meeting of Shareholders.

## **4.3 Resources**

The Chair will have sufficient resources to discharge the responsibilities of chair of a public company board. The Chair will be empowered to engage outside advisors, as may be appropriate from time-to-time, to provide advice with respect to his or her or the Board's duties and responsibilities and to approve the fees and retention terms for such outside advisors.

## **5. POSITION DESCRIPTION FOR THE LEAD DIRECTOR**

The Board may appoint a Lead Director. The Lead Director will be an independent Director with no historical employment or business ties to the Company. In conjunction with the Chair, the Lead Director will facilitate the functioning of the Board independently of management of the Company and provide independent leadership to the Board. In fulfilling his or her responsibilities, the Lead Director will be responsible for:

- a) Acting as chair of the Board in the absence of the Chair or when the Chair has a conflict of interest.
- b) Serving as liaison between the Chair and the other Directors, if and as determined by the Board.
- c) Collaborating with the Chair to set meeting agendas for the Board.

- d) Approving Board meeting schedules to assure there is sufficient time for discussion of all agenda items.
- e) Working with the Chair and the Chief Executive Officer to ensure that the Board is provided with the resources, including external advisers and consultants to the Board as considered appropriate, to permit it to carry out its responsibilities and bringing to the attention of the Chair and the Chief Executive Officer any issues that are preventing the Board from being able to carry out its responsibilities.
- f) Carrying out such other duties as may be reasonably requested by the Chair, the Board or the independent Directors as a whole, depending on its evolving needs and circumstances.

The Lead Director will have the authority to call, where necessary, special meetings of the Board, outside Directors or independent Directors, with appropriate notice, and establishing agenda for such meetings in consultation with the other outside or independent Directors, as applicable.

## **6. BOARD OPERATIONS**

### **6.1 Expectations of Directors**

Each Director is responsible for assuming, with the other Directors, the supervision of the management of the business and affairs of the Company and assisting the Board in successfully fulfilling its duties and responsibilities. In carrying out his or her responsibilities, each Director will perform those duties set out herein, applicable Board committee charters and such other duties as necessary or appropriate including as set out immediately below.

#### *Commitment and Attendance*

Directors must devote sufficient time and energy to their role as a director of the Company to effectively discharge their duties to the Company and the Board. Directors are expected to review meeting materials in advance of meetings to facilitate discussion and to probe and, as appropriate, challenge management, while making informed business judgments and exercising oversight. Board meeting dates are established well in advance and Directors are expected to be prepared for and to attend all required meetings. Although attendance in person is encouraged, members may attend by telephone or videoconference to mitigate schedule conflicts.

#### *Participation in Meetings*

Each Director should be sufficiently familiar with the strategic direction, affairs and business of the Company, including its financial statements and capital structure, and the risks it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.

#### *Financial Knowledge*

One of the most important roles of the Board is to monitor financial performance. A Director must know how to read financial statements, and should understand the use of financial ratios and other indices for evaluating financial performance.

### Ethical Business Conduct

The Company has adopted a written Code of Ethics. All Directors are made aware that they are expected to exhibit high standards of personal integrity, honesty and ethical business conduct, disclose any potential conflict of interest and abide by the Company's Insider Trading and Blackout Policy.

### Other Directorships

The Company values the experience Directors bring from other Boards on which they serve, but recognizes that those Boards may also present demands on a Director's time and availability, and may also present conflicts or legal issues. Directors should advise the chair of the HRS&G Committee before accepting any new membership on other boards of directors or trustees or any other significant commitment involving an affiliation with other related businesses or governmental units.

### Contact with Management

All Directors are invited to contact the CEO at any time to discuss any aspect of the affairs or business of the Company. While respecting organizational relationships and lines of communication, Directors have complete access to members of management. There will be frequent opportunities for Directors to meet with the CEO, Chief Financial Officer ("CFO") and other members of management of the Company in Board and committee meetings and in other formal or informal settings.

### Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director will maintain the confidentiality of information received in connection with his or her services.

## **6.2 Orientation and Continuing Education**

To enhance the Board's effectiveness, the Company seeks to have new Directors become fully engaged as quickly as possible. The HRS&G Committee oversees Director orientation to facilitate a smooth and timely integration of Directors into their new roles as members of the Board. New Directors are provided with full orientation on the Company's organizational structure, the structure and role of the Board and its Committees including duties and responsibilities, the Company's corporate policies and by-laws, the Director Code of Ethics and other relevant policies, and the Company's current business plan. New Directors meet with the Chair, committee chairs, the Corporate Secretary and executives of the Company, to discuss the Company's strategy and businesses, the culture of the Company and its Board. New Directors are also invited to attend committee meetings that they are not a member of to familiarize themselves with the Company. In addition, presentations and reports are provided regularly to the Board and each Committee on various aspects of the Company's operations.

The HRS&G Committee oversees the continuing education of Directors regarding their responsibilities as directors, as well as keeping their knowledge and understanding of the Company's businesses current. Directors identify their continuing education needs through annual Board and committee evaluations and regular feedback to the Chair and committee chairs. Directors are also encouraged to attend appropriate educational programs to enhance their Board membership and the costs of each program will be paid by the Company.



### **6.3 Assessments of Effectiveness of the Board, Committees, Chairs and Directors**

The processes for assessment of the Board and its committees are managed by the HRS&G Committee. The HRS&G Committee may retain an external consultant to design and administer the evaluations, and to analyze the results of the evaluations of Board and committee effectiveness.

#### *Assessment of the Board*

Each Director periodically completes an anonymous Board self-assessment survey, the results of which are compiled confidentially. In this process, Directors provide their views on whether the Board is functioning effectively. The results of the evaluation are analyzed and reviewed by members of the HRS&G Committee and the full Board, who consider whether any changes to the Board's processes, composition or committee structure are appropriate.

The Board also uses a skills matrix to review the skills of Directors and the Board as a whole. The matrix outlines skills and experience based on broad categories relating to business and management skills and capabilities.

In this context, the Board develops priorities for the year to address any areas for improvement that have been identified. The HRS&G Committee monitors implementation of any action plans designed to address the approved priorities and periodically updates the Board on progress. Senior management is advised of any suggestions made by Directors for improvement of processes to support the work of the Board.

The HRS&G Committee assesses the Chair's performance periodically, with input from each Director, taking into account the position description. The results are reviewed with the Board and the Chair.

#### *Assessment of Board Committees and Committee Chairs*

Each Board committee annually evaluates its effectiveness in carrying out the duties specified in its mandate, including an assessment of their respective chair's effectiveness. The results are analyzed and reviewed by the members of each committee who consider whether any changes to its structure or charter are appropriate. Feedback on committee chairs is also provided to the chair of the Board.

#### *Assessment of individual Board members*

Directors participate in an annual written peer review to assess individual Directors on the key characteristics and behaviours that the Board considers essential for any Director to successfully discharge his or her oversight responsibilities. This consists of both an evaluation of peers and a self-evaluation. The written peer evaluation process may be complemented with one-on-one meetings between the Chair and each Director that occur throughout the year. Input from the peer evaluation process is taken into account when considering the director nominees to be recommended to Shareholders.

### **6.4 Conflicts of Interest**

Where the personal or business relationships or interests of Directors and executive officers may conflict with those of the Company, they are required to disclose in writing, or by requesting to have it entered in the minutes of the meeting, the nature and extent of any interest they have in a material contract or

material transaction with the Company. In the event of a conflict of interest, the Director or executive officer will leave the relevant portion of the meeting and the Director will not vote or participate in the decision.

## **6.5 Board Compensation**

The HRS&G Committee conducts a periodic review of the amount and the form of compensation of Directors, with a view to aligning the interests of Directors and Shareholders and providing market competitive compensation. Directors who are also officers of the Company do not receive remuneration as directors.

As part of the Board compensation program, Directors may receive a portion or all of their annual Board retainer in the form of Deferred Stock Units (“DSU”) in accordance with the Company’s DSU Plan.

## **7. BOARD COMMITTEES**

The standing committees of the Board are the Audit Committee and the Human Resources, Safety and Governance Committee.

Committee composition is recommended annually by the HRS&G Committee. Following each meeting, the committee chair reports to the Board on the committee’s activities, and makes such recommendations as are deemed appropriate in the circumstances.

Each committee has a written mandate that sets out its responsibilities. The HRS&G Committee reviews the committee charters at least annually to ensure appropriate allocation of responsibilities. The committees regularly review and assess the adequacy of their own charters to ensure that regulatory requirements and best practices are reflected, and recommend changes for approval by the Board.

Each committee assesses its effectiveness annually to ensure that it has effectively fulfilled its responsibilities as set out in its charter. The chair of each committee, in consultation with the committee members, the Corporate Secretary and senior management, develops work plans for the year, which provide a thematic view of the forward agenda and are intended to focus the committee on the most important aspects of its charter with sufficient frequency.

### **7.1 Committee Chairs**

Each committee is comprised entirely of independent Directors and is chaired by an independent director who is responsible for the effective operation of the committee and the fulfillment of the committee’s charter. The charters of each committee include a written position description for the chairs of the Board’s committees.

### **7.2 Human Resources, Safety and Governance Committee**

The HRS&G Committee is responsible for advising the Board on:

- a) individuals qualified to become Directors;

- b) succession planning, compensation and human resource policies and practices, as well as compensation risk management;
- c) policies, management systems and performance with respect to safety, health and environment matters affecting the Company, its employees, contractors and the communities in which it operates; and
- d) applying governance principles, monitoring developments in corporate governance and adapting best practices to the needs and circumstances of the Company.

The HRS&G Committee also oversees the Board's effectiveness evaluation process. This committee provides its recommendation to the Board for compensation of the CEO in light of the evaluation of his performance against approved goals and objectives relevant to his compensation. The HRS&G Committee annually reviews executive talent development strategies, succession plans for key senior leadership roles and readiness of the Company's executive talent to deliver strategic goals of the Company. In addition, the HRS&G Committee makes recommendations to the Board on the compensation of senior management.

As part of its responsibilities, the committee reviews with management, safety, health and environmental emergency response planning procedures. In the event of a significant safety, health or environmental incident, the committee receives and reviews reports from management detailing the incident and describing remedial actions taken.

### **7.3 Audit Committee**

Management of the Company is responsible for the preparation, presentation and integrity of the financial statements and for maintaining appropriate accounting and financial reporting principles, policies, internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. The external auditor is responsible for planning and carrying out, in accordance with professional standards, an audit of the annual financial statements and an audit of internal control over financial reporting. The external auditor also reviews the quarterly financial information. The Audit Committee's purpose is to review the adequacy and effectiveness of these activities and to assist the Board in its oversight of:

- a) the integrity of the Company's financial reporting;
- b) the effectiveness of the Company's internal control systems;
- c) the qualifications, independence, performance and appointment of the external auditors of the Company;
- d) the Company's compliance with legal and regulatory requirements;
- e) transactions involving related parties; and
- f) the management of the Company's major financial risks.

The Audit Committee is also responsible for the initial review of complaints delivered to the chair of the Audit Committee pursuant to the Company's Whistleblower Policy, which allows officers, employees and other stakeholders to confidentially and anonymously report concerns about regulatory matters including accounting, financial reporting, securities laws, and financial audit matters, as well as matters relating to business practices including conflicts, business, professional and personal ethics.

Each member of the Audit Committee must be independent and "financially literate" within the meaning of the rules of the CSA relating to audit committees. Members of the Audit Committee may serve on the audit committees of no more than three public companies, including the Company.

## **8. REVIEW, MODIFICATION AND WAIVER**

The HRS&G Committee will review this Mandate of the Board of Directors & Corporate Governance Guidelines periodically and submit any recommended changes to the Board for approval. The HRS&G Committee will take into consideration the emerging best practices at leading and comparable companies. This Mandate & Governance Guidelines may be materially amended or modified only by the Board, and may be waived only by the Board, subject to disclosure and other provisions of applicable laws and regulatory requirements.

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