

BADGER DAYLIGHTING LTD.

MANDATE OF THE BOARD OF DIRECTORS

Adoption

This Mandate of the Board of Directors has been adopted by the Board of Directors (the “**Board**”) of Badger Daylighting Ltd. (the “**Corporation**”).

References to “Badger”

In this Mandate of the Board of Directors, “**Badger**” means the Corporation and, where the context requires, the Corporation and its subsidiaries considered on a consolidated basis.

Policy Statement

The board of directors (the “**Board of Directors**” and each member thereof a “**Director**”) of the Corporation is responsible for the stewardship of the business and affairs of Badger. As such, the Board of Directors has responsibility to oversee the conduct of Badger’s business, provide direction to management and ensure that all major issues affecting the business and affairs of Badger are given proper consideration. The Board of Directors oversees the activities of management who are responsible for the day-to-day conduct of the business of Badger.

Composition and Operation

At least two-thirds of the Board of Directors shall be individuals who qualify as independent Directors. Generally speaking, a Director is “**independent**” if such Director has no direct or indirect material relationship with Badger and a “**material relationship**” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the Director’s independent judgment.

The Board of Directors operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board of Directors retains the responsibility of managing its own affairs including selecting its Chairman, nominating candidates for election to the board, constituting committees of the full Board of Directors and determining compensation for the Directors. Subject to the constating documents of Badger and the *Business Corporations Act* (Alberta), the Board of Directors may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board of Directors.

Responsibilities

The Board of Directors fundamental objectives are to enhance and preserve long-term security holder value, to ensure Badger meets its obligations on an ongoing basis and that Badger operates in a reliable and safe manner. In performing its functions, the Board of Directors should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in Badger. In broad terms, the stewardship of Badger involves the Board of Directors in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

Specific Duties

1. Legal Requirements
 - (a) the Board of Directors has the oversight responsibility for meeting Badger’s legal requirements and for properly preparing, approving and maintaining Badger’s documents and records.

- (b) The Board of Directors has the legal responsibility to:
 - (i) manage the business and affairs of Badger;
 - (ii) act honestly and in good faith with a view to the best interests of Badger;
 - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - (iv) act in accordance with its obligations contained in the *Business Corporations Act (Alberta)* and the regulations thereto, the constating documents of Badger, and other relevant legislation and regulations.

- (c) The Board of Directors has the legal responsibility for considering the following matters as a full Board of Directors which in law may not be delegated to management or to a committee of the Board of Directors:
 - (i) any submission to the security holders of a question or matter requiring the approval of the security holders;
 - (ii) the filling of a vacancy among the Directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisitions of securities issued by Badger;
 - (vi) the payment of a commission to any person in consideration of his/her purchase or agreeing to purchase securities of Badger from Badger or from any other person, or procuring or agreeing to procure purchasers for any such securities;
 - (vii) the approval of management proxy circulars; and
 - (viii) the approval of any take-over bid circular or Directors' circular.

2. Independence

The Board of Directors shall have the responsibility to:

- (a) implement appropriate structures and procedures to permit the Board of Directors to function independently of management;
- (b) implement a system which enables an individual Director to engage an outside advisor at the expense of Badger in appropriate circumstances; and
- (c) provide an orientation and education program for newly appointed members of the Board of Directors.

3. Strategy Determination

The Board of Directors shall:

- (a) participate in a strategic planning process with management and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business of Badger;
- (b) at least annually review the progress and fulfillment of the strategic goals adopted by Badger;
- (c) set aside time at each board meeting to discuss strategy with management and monitor our progress;
- (d) discuss and analyze the main risks facing our business, strategic issues, competitive developments and corporate opportunities;
- (e) discuss possible adjustments to the strategic plan in light of our progress and the current business climate;
- (f) measure success and fulfillment of the strategic plan by assessing Badger's performance results against its annual corporate objectives;
- (g) review with management at least annually the financing strategy and plans of Badger; and
- (h) annually review operating and financial performance results of Badger relative to established strategy, budgets and objectives.

4. Managing Risk

The Board of Directors has the responsibility to understand the principal risks of the business in which Badger is engaged, to achieve a proper balance between risks incurred and the potential return to security holders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of Badger.

5. Appointment, Training and Monitoring of Senior Management

The Board of Directors shall:

- (a) appoint the Chief Executive Officer ("CEO") and senior officers, approve (upon recommendations from the Human Resources and Compensation Committee) their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing security holder value;
- (b) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (c) ensure that the Human Resources and Compensation Committee meets regularly with the Chief Executive Officer, without other members of management, to discuss his views on the executive leadership team in general, and his potential successors. The Board, without the Chief Executive Officer, shall meet to discuss the candidates he identified to the Human Resources and Compensation Committee as possible successors. The succession plan for the Chief Executive Officer shall be a focus area for both the Human Resources and Compensation Committee and the Board; and
- (d) establish limits of authority delegated to management.

6. Reporting and Communication

The Board of Directors has the responsibility to:

- (a) verify that Badger has in place policies and programs to enable Badger to communicate effectively with its security holders, other stakeholders and the public generally;
- (b) verify that the financial performance of Badger is properly reported to security holders, other stakeholders and regulators on a timely and regular basis;
- (c) verify that the financial results of Badger are reported fairly and in accordance with generally accepted accounting standards;
- (d) verify that voting results for each motion, including appointing the Board, at Badger's shareholder meetings are disseminated to the market and that prior year voting results are included in the following year's information circular;
- (e) verify the timely reporting of any other developments that have a significant and material impact on the value of Badger; and
- (f) report annually to security holders on its stewardship of the affairs of Badger for the preceding year.

7. Monitoring and Acting

The Board of Directors has the responsibility to:

- (a) review and approve Badger's financial statements and oversee Badger's compliance with applicable audit, accounting and reporting requirements;
- (b) verify that Badger operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- (c) approve and monitor compliance with significant policies and procedures by which Badger is operated;
- (d) monitor Badger's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (e) take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
- (f) verify that Badger has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities.

8. Environmental, Health and Safety Matters

The Board of Directors shall review the effectiveness and adequacy of safety and environmental control, reporting, training and response procedures.

9. Other Activities

- (a) the Board of Directors may perform any other activities consistent with this mandate, the constating documents of Badger and any other governing laws as the Board of Directors determines necessary or appropriate; and
- (b) as a standing agenda item, the independent directors shall have an “in camera” session without management at every regularly scheduled Board meeting, and at other meetings when deemed appropriate.

Document Control Information

Approved by Board of Directors: Yes

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