
MANDATE OF THE BOARD OF DIRECTORS

Transcontinental Inc. (the "Corporation") is a corporation with values founded on sound corporate governance. Its board of directors (the "Board") is elected by the shareholders to oversee management of the business in accordance with applicable laws and regulations and to ensure that senior management of the Corporation acts in a manner that not only protects the values of the Corporation but is also in compliance therewith, thus ensuring that the Corporation is managed in line with the best interests of the "four pillars" of the business, namely its employees, its customers, its shareholders and the community. The Board discharges its responsibilities directly or through its committees. The Board is not responsible for the day-to-day management and operations of the Corporation, these responsibilities falling on management. The Board is however responsible for overseeing management in carrying out such responsibilities.

MEMBERS OF THE BOARD OF DIRECTORS

1. **Selection and Number of Directors.** Based on the Corporation's articles, the Board can be composed of a minimum of three and of a maximum of 15 directors. The size and composition of the Board are reviewed at least on an annual basis. The number of directors must make room for diversity of thought and experience while enabling an efficient decision-making process. In accordance with National Instrument 58-101 - Disclosure of Corporate Governance Practices, the Board is composed of a majority of independent directors.
2. **Term of the Mandate.** Directors are elected annually at the Corporation's annual meeting of shareholders. Directors are elected for a one year term, subject to re-election by shareholders at the following annual meeting. The Board can, during the year, fill any vacancy or appoint a director, to the extent permitted by law.
3. **Qualification Criteria.** Directors are recruited based on their expertise, taking into account their complementarity with that of the other directors and the matrix of competencies adopted for members of the Board. Directors are recruited for their values, their knowledge and their experience, as well as their availability to devote sufficient time to the affairs of the Corporation. Each director must devote the time and resources necessary to discharge his responsibilities.

A director experiencing a material change in his/her then principal occupation must immediately inform the Chair of the Board. The Chair of the Board and the chair of the Governance and Social Responsibility Committee will examine the circumstances and decide whether such director may continue to sit on the Board.

4. **Essential Qualities of a Director.** The Board expects each director to meet the highest level of professional standards as described hereinafter. The Corporation requires its directors to demonstrate the highest level of integrity and rigor and to act honestly, objectively and in good faith. Moreover, the Corporation expects directors to demonstrate sound business acumen, that their deliberations and decisions reflect the values of the Corporation and that directors assume responsibility for their decisions. In the event of an actual or potential conflict of interest, a director must immediately inform the Chair of the Board and withhold from participating in the discussions on any matter relating to the actual or potential conflict of interest situation or vote thereon.
5. **Training.** Each director has access to the Director Handbook prepared by the Corporate Secretary that is updated regularly. The Director Handbook contains information relevant to the affairs of the Corporation, including the mandates of the Board and its committees, the descriptions of the role and responsibilities of each committee chair, the Chair of the Board, the Lead Director and President and Chief Executive Officer, the details regarding compensation of the directors, the Code of Conduct and policies of the Corporation, as needed.

Each director is invited to participate in continuous education activities relating to the business of the Corporation, the industries in which it operates and regulatory matters.

Presentations on general or specific topics are also used for the ongoing training of directors. These training sessions allow directors to understand the operations of the Corporation and can be useful tools in giving them a better insight into the Corporation's overall strategic plan.

Newly appointed directors benefit from an orientation program in the form of informal meetings with management, as well as guided tours or certain of the Corporation's business units.

6. **Ownership guidelines.** Each director (other than a director who is also employee of the Corporation) must own, within three years following his appointment or election to the Board, the equivalent of three (3) times the annual base director compensation in shares or deferred share units.
7. **Retirement Age.** The Board has not set a mandatory retirement age for directors.
8. **Meetings.** The Board meets based on a calendar set on an annual basis and at any other relevant time.

ROLE AND RESPONSIBILITIES

The primary mandate of the Board is to represent the interests of all shareholders. For this purpose, the Board has established committees composed of independent directors to ensure that the Corporation operates in a manner that respects its employees, customers, suppliers and shareholders and in accordance with applicable laws and regulations. The principal responsibilities of the Board are the following:

1. Strategy and Operations

- (i) Adopt a long-term strategic planning process, participate in the process and approve the strategic plans and priorities identified by senior management;
- (ii) Review the strategic plan on an annual basis in light of the risks and business opportunities of the Corporation;
- (iii) Review and approve the financial objectives of the Corporation, its business plans and the annual budget of the Corporation, including the capital expenditure budget;
- (iv) Review the dividend policy of the Corporation and approve the payment of dividends, as the case may be;
- (v) Ensure, to the extent possible, that the President and Chief Executive Officer and other members of senior management are honest and create a culture of integrity throughout the organization, respecting the values of the Corporation;
- (vi) Ensure that the Corporation is managed in a manner that preserves its financial integrity in compliance with the policies approved by the Board and applicable laws and regulations;
- (vii) Approve the principal acquisitions and divestitures and material transactions outside the normal course of operations of the Corporation or other transactions in accordance with the policy on delegation of authority approved by the Board from time to time;
- (viii) Approve, prior to their disclosure, the interim and annual financial statements of the Corporation, including the accompanying notes, the management's discussion and analysis and press releases relating to the interim and annual financial results;
- (ix) Examine the results of the Corporation based on its strategic plan, its business plans, its budget and other objectives; and
- (x) Delegate to the Chair of the Board, the President and Chief Executive Officer and other members of management the authority to manage and oversee the activities of the Corporation, make decisions in the course of the business of the Corporation and with regards to its responsibilities other than those expressly reserved to the Board pursuant to the policy on delegation of authority of the Corporation.

2. Human Resources

- (i) Appoint the President and Chief Executive Officer, determine his role and responsibilities, review his compensation and ensure that a succession plan is implemented;
- (ii) Review the organizational structure, succession planning and training plans for senior executives and the performance of senior executives; and
- (iii) Review regularly the statistics and the performance of the Corporation regarding health, safety and wellness and ensure that action plans are implemented, if necessary.

3. Corporate Governance

- (i) Develop the Corporation's vision with respect to corporate governance, and, in particular, develop a set of principles and guidelines regarding corporate governance and ensure that the Governance and Social Responsibility Committee addresses any governance related issues;
- (ii) Review regularly the mandates of the Board and of the various Board committees;
- (iii) Appoint the Chair of the Board and the chair of each committee as well as the committee members;
- (iv) Appoint a Lead Director with the principal objective of ensuring that the Board is independent from senior management;
- (v) Evaluate the efficiency of the Board and its committees and ensure that the chair of the Board is evaluated and that directors conduct a self-evaluation;
- (vi) Ensure that the competencies of Board members complement one another in order to stimulate discussion and contribute new ideas, thus encouraging management to excel;
- (vii) Ensure that directors remain independent of senior management;
- (viii) Provide an orientation and training program for Board members and ensure that all new directors have access to a full training program. Provide all directors with access to ongoing training programs in order that they may maintain or enhance their competencies and skills as directors. Ensure that the levels of knowledge and understanding of the directors are continuously updated through an adequate program consisting of visits to operating sites and of reports and presentations on business-related topics;
- (ix) Ensure that the information given to Board members is as complete and as accurate as possible;
- (x) Ensure that the directors' remuneration is fair and sufficiently interesting to attract and retain highly qualified directors;
- (xi) Ensure that directors have sufficient time to read the documentation prepared for each meeting of the Board and of its committees; and
- (xii) Ensure that an "in camera" session is held at the end of each Board meeting or at any other time deemed appropriate by the Lead Director and at which members of management are not in attendance.

4. Communications

- (i) Ensure that policies and procedures relating to the disclosure of information and any other material matter are adopted and implemented; and
- (ii) Oversee communications between the Corporation, its shareholders and the general public and ensure the effectiveness of the Corporation's communications policy. Oversee the adoption of the financial disclosure process and ensure that all financial information is disclosed on a timely basis, as well as in an accurate and comprehensive manner. Set up measures to gather feedback from interested parties through direct communication channels between these parties and independent directors.

5. Risk Management

- (i) Ensure the adoption of the Corporation's principal policies regarding security, conflicts of interest and relations with customers and suppliers; and
- (ii) Ensure that an adequate system is implemented to identify risks, evaluate the important risks to which the Corporation is exposed to and ensure that the Corporation has the appropriate systems to manage these risks.

6. Ethics, Social Responsibilities and Sustainability

- (i) Ensure the adoption of a code of conduct applicable to all employees without distinction, including senior executives and directors and ensure its enforcement; and
- (ii) Review reports and initiatives of the Corporation regarding sustainability; and
- (iii) Review reports relating to policies and practices linked to corporate social responsibility.

OBLIGATIONS OF DIRECTORS

The Corporation expects the following from its directors:

1. **Adequate Preparation.** In order to be able to provide sound advice, directors must carefully prepare for each Board meeting and committee meeting where they participate, ask relevant questions to senior management so as to be in a position to understand or challenge the assumptions underlying management's recommendations regarding projects or decisions submitted to the Board or to a committee for approval and actively participate at each meeting. The Board should benefit from the personal experience of each director as well as from his general knowledge and financial competency.
2. **Ability to communicate.** Directors should be able to communicate well with other Board members while being receptive to their opinions and input. They must also be good listeners and be capable of addressing sensitive issues so as to encourage free and open discussions.

PHYSICAL ORGANIZATION OF MEETINGS OF THE BOARD

The Chair of the Board, in cooperation with the Lead Director, the President and Chief Executive Officer and the Corporate Secretary are responsible for setting the agenda for each Board meeting. Reasonable efforts are made to ensure that the documentation is true and up to date and made available to Board members several days before a meeting.

Dates of Board meetings are determined sufficiently in advance to ensure that Board members are available. The Board holds statutory meetings to approve the interim financial statements and annual financial statements and, if required, to discuss any material acquisition or disposition or material transactions outside the Corporation's ordinary course of business and approve them.

Board members attend meetings in person. They may also attend by teleconference. At Board meetings, certain members of senior management are sometimes invited to make presentations on topics related to their sector of activity, thus providing Board members with an opportunity to enhance their knowledge of the Corporation's activities.

The Board may retain external consultants at the expense of the Corporation.

COMMITTEES OF THE BOARD

Subject to any restrictions made pursuant to applicable laws and regulations, the Board may discharge its obligations through committees. The Board appoints the directors to sit on committees. At least on an annual basis, the Board reviews the composition of the committees and, as needed, the matters to be delegated to the committees. The Board

may, if it deems necessary or advisable, create special committees. The Board has created an Audit Committee, a Human Resources and Compensation Committee and a Governance and Social Responsibility Committee, all of which have the responsibilities set out in their mandate approved by the Board.

CODE OF CONDUCT

The Corporation has adopted a Code of Conduct which applies to all directors and employees of the Corporation, without exception. A copy of the Code of Conduct is given to each director at the time of his or her appointment and whenever changes are made thereto. The Code of Conduct requires that each director act in accordance with applicable laws. Each director of the Corporation must confirm that he or she has received and has read the Code of Conduct and that they he or she agrees to comply with it.