

## **MANDATE FOR THE BOARD OF DIRECTORS**

The board of directors of the Corporation (the “Board”) is elected by its shareholders and is responsible for managing, or supervising the management of, the investments and other business and affairs of the Corporation, including its subsidiary, Hollinger-Hanna Limited, and their holdings of a 7% gross overriding royalty on all products sold, delivered and shipped by Iron Ore Company of Canada (“IOC”), a 15.1% equity interest in IOC and a 10 cent per tonne fee on all products sold and shipped by IOC.

The Corporation is a passive holder of interests in IOC and has no operating business. The most important activity of the Board is supervising the receipt of revenues and the payment of distributions to the holders of its stapled units. In these circumstances, the Corporation does not require as much organization and structure as an operating company. Accordingly, the numbers of its directors and officers are small. The Board has appointed Scotia Capital Inc. as administrator of the Corporation and its subsidiary, subject to the supervision of the Board and the officers of the Corporation.

The Board discharges its responsibilities directly and through committees, including an Audit Committee, Compensation Committee and Nominating Committee. In addition to the Board’s primary responsibility of managing, or supervising the management of, the business and affairs of the Corporation, including the management of the investments of the Corporation, its responsibilities include, but are not limited to, the following:

### **General**

1. The Board has the responsibility to manage, or to supervise the management of, the business and affairs of the Corporation, to approve policies of the Corporation and to review and approve major decisions taken by the Corporation. The stewardship of the Corporation involves the Board in strategic planning, identification of principal risks and ensuring implementation of appropriate systems to manage those risks, management appointments, succession planning and internal control integrity.

### **Oversight of Officers**

2. The Board has the responsibility for approving the appointment of the officers of the Corporation and satisfying itself as to the integrity of the officers.
3. The Board has delegated authority to the President and Chief Executive Officer for the overall management of the Corporation, including operations to ensure the long term success of the Corporation and to maximize shareholder value.
4. The Board may from time to time delegate authority to the officers, subject to specified limits. Matters which are outside the scope of the authority delegated to the officers and material transactions are reviewed by and subject to the prior approval of the Board. The Board is responsible for the Corporation’s approach to corporate governance.

## **Board Organization**

5. The Board has the responsibility for developing and monitoring corporate governance principles and guidelines, the selection of the Chairman, the selection of nominees for election to the Board, orientation of new directors, committee and committee chair appointments, committee charters and director's compensation.
6. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the directors and management, the conduct of performance evaluations and oversight of internal controls systems and disclosure controls and procedures, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.
7. All Board committees will consist only of independent directors.
8. Each member of a Board committee will hold office until the next annual meeting of shareholders after the member's appointment, except that any member of a committee may be removed at any time by the Board and will cease to be a member upon ceasing to be a director. The Board may fill vacancies on any committee by appointment from among its members. If and when a vacancy exists on a committee, the remaining members of the committee may exercise all of its powers and discharge all of its duties as long as a quorum remains in office.
9. The Board will appoint one of the members of a committee to be chairman of the committee. The Secretary of the Corporation will be secretary of the committee. A committee must keep minutes of its meetings in which all action taken by it is recorded. Minutes will be made available to the directors.
10. Unless otherwise provided by the Board, meetings of a committee may be held at such place, on such day and at such time as the chairman of the committee determines. Notice of a meeting will be given to each member of a committee at least 48 hours before the time when the meeting is to be held, unless all members of the committee otherwise consent. At all meetings of a committee every question will be decided by a majority of the votes cast on the question, and in the case of an equality of votes the chairman of the meeting will not be entitled to a second or casting vote.

## **Monitoring of Financial Performance and Other Financial Reporting Matters**

11. The Board is responsible for exercising the powers and authorities set out in the articles and by-laws of the Corporation.
12. The Board is responsible for approving the audited and unaudited financial statements of the Corporation and the notes thereto and the related Management's Discussion and Analysis.
13. The Board is responsible for reviewing and approving material transactions involving the Corporation and/or its subsidiaries.

## **Policies and Procedures**

14. The Board is responsible for:
- (a) approving and monitoring compliance with all significant policies and procedures under which the Corporation is operated;
  - (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
  - (c) enforcing obligations of the Corporation respecting confidential treatment of the Corporation's proprietary information and Board deliberations.

## **Communications and Reporting**

15. The Board is responsible for:
- (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
  - (b) overseeing the reporting of financial results, fairly and in accordance with generally accepted accounting principles and related legal disclosure requirements;
  - (c) overseeing the integrity of the internal control and management information systems of the Corporation;
  - (d) overseeing the evaluation of the disclosure controls and procedures of the Corporation;
  - (e) overseeing the timely disclosure of any other developments that have a significant and material impact on the Corporation;
  - (f) reporting annually to shareholders on its stewardship for the preceding year; and
  - (g) overseeing the investor relations and communications strategy of the Corporation.