PACICC | SIMA

Property and Casualty Insurance Compensation Corporation

Société d'indemnisation en matière d'assurances IARD

Board Mandate

November 2025

Following is a list of the principal duties of the Board of Directors of PACICC.

1. **Strategic Planning**

   The Board will:
   - Provide counsel, support and advice to Management on major policy and strategic issues facing the Corporation
   - Approve, assess and monitor resources required to implement PACICC's strategic plan
   - Review and approve a Plan and Budget prepared by Management setting forth the annual plan and strategic priorities for the next three years
   - Approve any material changes to the Plan and Budget
   - Ensure that identified priorities are consistent with the Corporation's strategic goals of relevant research, effective governance and proactive operations
   - Approve PACICC's financial objectives and operating plan, including capital allocations and any expenditures exceeding thresholds established by the Board
   - Monitor the implementation and effectiveness of the approved strategic plan and approve significant business decisions not otherwise delegated to Management.

2. **Corporate Governance**

   The Board will:
   - Develop, approve and monitor PACICC's approach to corporate governance
   - Review the Board's mandate periodically to ensure that it properly reflects both the Board's decisions and the oversight that should reasonably be expected of the Board
   - Establish Board Committees with specific mandates and objectives to assist the Board in carrying out its roles and responsibilities
   - Establish expectations and responsibilities of Directors and Management staff (including required skills, competencies and expected attendance at Board and Committee meetings)
   - Establish and maintain a process to regularly and objectively assess the effectiveness of the Board, Committees, individual Directors and Management staff
   - Ensure that all new Directors receive a comprehensive orientation explaining the role of the Board and its Committees and expected contributions from individual Directors (meeting preparation, attendance and participation).

3. **Financial Reporting**

   The Board will:
   - Review and approve the annual audited financial statements of the Corporation
   - Ensure full, regular and timely financial reporting and disclosure to regulators (consistent with applicable laws, regulations, rules, policies and other requirements)
   - Through the Audit and Risk Committee, ensure that controls are in place to safeguard the integrity of the Corporation's financial reporting and the effectiveness of its internal controls
   - Ensure strict compliance with all applicable audit, accounting, financial reporting, investment policy and legal disclosure requirements.

4. Risk Management

The Board will:

- Provide regular oversight of the Corporation's enterprise risk management plan
- Approve an investment policy for the Corporation and ensure compliance with it
- Review annually PACICC's risk management practices to ensure early identification and effective management of key risks facing the Corporation
- Monitor staff reports regarding the assessment, management and monitoring of key risks facing the Corporation
- Approve and monitor processes that will ensure compliance with applicable legal and regulatory requirements.

5. Human Resources Management

The Board will:

- Ensure that policies and practices are in place to enable PACICC to attract, develop and retain the human resources required to achieve its business objectives
- Oversee the Corporation's executive compensation program and approach to human resource management
- Approve the selection, appointment, development, evaluation and compensation of Board members and Management staff
- Develop a clear position description for the CEO, in conjunction with the CEO, including delineation of Management responsibilities
- Approve corporate goals and objectives for the CEO to achieve
- Develop clear position descriptions for the Board Chair and Committee Chair(s)
- Monitor PACICC's succession plan for key executive positions
- Ensure that adequate plans are in place to recruit new Board members when vacancies occur.

6. Integrity

The Board will:

- Approve a written Code of Business Conduct and Ethics to foster and maintain a culture of integrity and ethical behaviour throughout the Corporation
- Approve the Corporation's Code of Ethics and Business Conduct for staff and Directors and monitor Management reports on compliance with same
- Approve other policies and practices dealing with issues related to integrity, ethics and social responsibility.

7. Corporate Communications

The Board will:

- Approve PACICC's corporate communications policies
- Monitor Management policies and processes that ensure accurate, timely and appropriate public disclosure of business information
- Encourage regular and open consultation with Members, regulators, liquidators, media (as required) and other industry stakeholders
- Ensure that disclosure policies are consistent with reporting requirements.