



**GALLEON**GOLD

## **CORPORATE MANDATE**

Pursuant to the *Canada Business Corporations Act*, the Board of Directors (the “Board”) is required to supervise the management of the affairs and business of the Corporation. The Board’s principal responsibilities are to supervise and evaluate management, to oversee the conduct of the Corporation’s business, to set policies appropriate for the business of the Corporation and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value. The Board will revise this mandate from time to time in accordance with the Corporation’s needs, legal and regulatory developments and best practices.

## **DUTIES AND RESPONSIBILITIES**

In discharging its duty of stewardship over the Corporation, the Board expressly undertakes the following specific duties and responsibilities:

- The Board monitors financial performance and considers, reviews and approves all significant strategic decisions, including all major decisions relating to acquisitions, divestitures and financing. The Board expects the Corporation’s senior officers to manage the business of the Corporation on a day-to-day basis and to keep the Board informed of all significant developments affecting the Corporation. The Board receives from management regular reports on the Corporation’s compliance with various legal requirements and internal control procedures, operational/management reports and any other relevant reports.
- The Corporation’s overall strategy is developed by management and is reviewed annually by the Board which considers the business and political risks and opportunities inherent in it.
- The Board identifies the principal risks to the Corporation, and reviews and assesses the methods and systems for managing such risks. In particular, the Audit Committee is responsible for reviewing the adequacy of the Corporation’s systems for identifying and managing financial risks.
- The Board regularly considers the integrity, quality and continuity of management required to achieve the Corporation’s goals. The Board is responsible for reviewing succession planning, senior management development and the performance of management against their annual objectives. Annually, the Compensation Committee

measures management's performance and total compensation against the objectives set in the annual budget.

- The Board annually reviews the Corporation's relations with shareholders, employees, financial analysts, the media and other stakeholders. The Corporation's goal is to outline procedures and practical guidelines for public disclosure and dissemination of material and non-material information about the Corporation and its subsidiaries. Senior officers are often available to shareholders and through the investor relations function they aim to provide clear and accessible information on the Corporation's operations and investments. The President and CEO is responsible for ensuring the consistency and accuracy of information released to analysts and others and that all such information is in the public domain.
- The Audit Committee reviews and provides recommendations to the Board on the adequacy of the internal controls. Management and external auditors provide to the Audit Committee regular reports on the Corporation's control environment. The internal control procedures are reviewed in detail to ensure they meet the new rules and standards.

## **BOARD COMPOSITION**

It is recognized that the appropriate mix of skills, experience, age and gender will help to enhance Board performance. Composition of the Board should reflect business experience compatible with strategic and business objectives with consideration to businesses the Corporation operates within and other relevant factors.

### ***Board Independence***

Except during temporary vacancies, the Board will be composed of a majority of independent directors, as such term is defined under applicable securities laws.

The determination of whether a director is independent will be made by the Board in accordance with applicable securities laws and stock exchange rules. In making such determination, the Board will consider all relevant facts and circumstances, including without limitation, the director's commercial, industrial, banking, consulting, legal accounting, charitable and familial relationships. To facilitate this review, directors may be asked to provide the Board with information regarding business and other relationships with the Corporation and its affiliates and with senior management and their affiliates. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

### ***Board Chair***

The Board shall appoint a Board Chair from among the directors. The Board Chair is responsible for ensuring that the Board functions in a manner that is independent of management, including

managing meeting schedules and setting agendas, chairing the meetings of the Board, acting as a liaison between senior management and the Board and providing advice to senior management on various matters.

## **BOARD COMMITTEES**

There are currently four committees of the Board: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Technical Committee (the "Committees"). Each Committee has its own charter which sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board. From time to time, each Committee reviews its charter; and the Board reviews and approves each Committee's charter. Copies of each charter are available on the Corporation's website or upon request to the Corporation's Corporate Secretary.

## **BOARD AND COMMITTEE MEETINGS**

Board meetings are scheduled quarterly. In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of the Corporation. The Board may also take action from time to time by unanimous written resolution. A board meeting may be called by the Board Chair, the CEO, CFO or Secretary or any two directors.

The quorum at a meeting of the Board shall be a majority of directors then in office, and there shall be not less than three directors in office at any time.

Each Committee meets as often as it determines is necessary to fulfill its responsibilities. Powers of a Committee of the Board may be exercised by a meeting at which a majority of the Committee members are present or by a resolution signed by all members of such Committee who have been entitled to vote on that resolution at a meeting of the Committee.

## **BOARD PERFORMANCE EVALUATION**

The Board is responsible for conducting self evaluation of its size, composition, effectiveness and the contributions of individual directors and for determining the form and amount of compensation for directors.

## **CODE OF ETHICS**

The Board expects all directors, senior management, other officers and employees of the Corporation to conduct themselves in accordance with the highest ethical standards.

The Corporation has adopted a Code of Conduct and Ethics for its officers, employees and consultants, and a Financial Management Code of Conduct for its CEO, CFO and senior financial personnel. These Codes are available on the Corporation's website or upon request to the Corporation's Corporate Secretary

## **DECISIONS REQUIRING PRIOR APPROVAL BY THE BOARD**

The Board has delegated the day-to-day management of the business and affairs of the Corporation to the President and CEO. Prior approval by the Board is also required in many specific instances under the *Canada Business Corporations Act*, securities legislation and the by-laws, rules and policies of the TSX Venture Exchange.

## **EXPECTATIONS OF MANAGEMENT**

The Board expects management of the Corporation to conduct the business of the Corporation in accordance with the Corporation's ongoing strategic plan and to meet or surpass the annual and long-term goals of the Corporation set by the Board in consultation with management. As part of its annual strategic planning process, the Board intends to set expectations of management both over the next financial year and in the context of the Corporation's long-term goals.

## **SHAREHOLDER FEEDBACK AND CONCERNS**

Management of the Corporation routinely make themselves available to shareholders to respond to questions and concerns. Shareholder concerns are dealt with on an individual basis, usually by providing requested information. Significant shareholder concerns are brought to the attention of the management of the Corporation or the Board.

## **PUBLIC DISCLOSURE**

This mandate shall be included on the Corporation's website and the mandate and/or a reference thereto may be included in the Corporation's public continuous disclosure record as may be required by applicable securities laws or as deemed advisable by management of the Corporation.

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