

ROYAL HOST INC.

MANDATE FOR THE DIRECTORS

The term "**Corporation**" refers to Royal Host Inc., the term "**Directors**" refers to the Directors of the Corporation and the term "**Chair**" refers to the Chair of the Directors. The Corporation and its subsidiaries are collectively referred to as "**Royal Host**".

OVERVIEW

The Directors are elected by the Shareholders and are responsible for the stewardship of the affairs of the Corporation, including approving its overall strategic direction. The Directors seek to discharge such responsibility by reviewing and approving the strategies and plans of management ("Management") of the Corporation and its subsidiaries, which is responsible for the day-to-day conduct of its affairs, and supervising and monitoring Management and the performance of the Corporation and its subsidiaries.

Specific responsibilities that facilitate the discharge of the Directors' stewardship responsibilities include: the strategic planning process, risk identification and management, ensuring that an effective stakeholder communication policy is in place, and ensuring the integrity of internal controls and management information systems.

The Directors are also responsible for establishing and maintaining a culture of integrity in the conduct of the affairs of the Corporation. The Directors seek to discharge this responsibility by satisfying themselves as to the integrity of Management, including the President (the "President") and other executive officers of the Corporation and by overseeing and monitoring Management to ensure a culture of integrity is maintained.

Although Directors may be nominated or elected by the shareholders to bring special expertise or a point of view to Director deliberations or may be appointed pursuant to the requirements of the By-laws, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

DUTIES OF THE DIRECTORS

The Directors are responsible for, among other things: (i) supervising the activities and managing the investments and affairs of the Corporation; (ii) maintaining records and providing reports to shareholders, (iii) effecting payment of distributions to shareholders, (iv) investing funds of the Corporation in accordance with the By-laws, (v) acting for, voting on behalf of and representing the Corporation as a securityholder, and (vi) using best efforts to ensure that the Corporation complies at all times with the requirements of paragraph 108(2)(a) and subsection 132(6) of the *Income Tax Act* (Canada). The Directors may exercise in respect of the Corporation assets and the investments and affairs of the Corporation any and all rights, powers, and privileges that could be exercised by a legal and beneficial owner thereof.

The Directors discharge their responsibilities directly and through their Committees, the **Audit Committee** and the **Governance and Human Resources Committee**. In addition to these regular Committees, the Directors may appoint *ad hoc* Committees periodically to address certain issues of a more short-term nature. In addition to the Directors' primary role of overseeing the affairs of the Corporation, their principal duties include, but are not limited to the following categories, all subject to the terms of the By-laws:

Oversight of Management

1. The Directors have the responsibility for approving the appointment of the Chairman and the President and the other officers of the Corporation (collectively, the "Officers"), and approving the compensation of the President and other officers and employees of the Corporation following a review of the recommendations of the Governance and Human Resources Committee.
2. The Directors have delegated authority to the President for the overall management of the Corporation, including providing the Corporation with strategic leadership and the implementation of strategy and operations to ensure the long-term success of the Corporation. This delegation is subject to the General Authority Guidelines in Schedule "A" that require either prior authorization by the Directors or periodic review by the Directors in respect of specified matters.
3. The Directors approve the goals, strategies, and plans of the Corporation and the fundamental objectives and policies within which the affairs of the Corporation are operated and evaluate the performance of Management. The President keeps the Directors fully informed of the progress of the Corporation towards the achievement of its goals, strategies and plans, in a timely and candid manner, and the Directors regularly evaluate the performance of Management toward these objectives.
4. The Directors may from time to time delegate authority to the Officers or others as permitted by the By-laws. Matters that are outside the scope of the authority delegated to the Officers or others and material transactions are reviewed by and subject to the prior approval of the Directors.
5. The Directors are responsible for monitoring and evaluating the performance of Management.

Monitoring of Financial Performance and Financial and Other Reporting Matters

6. The responsibilities of the President are set by the Directors. The President is responsible for leading the development of long-range plans for the Corporation, including its goals and strategies. The Directors, both directly and through their Committees, participate in discussions regarding strategy, by responding to Management's proposals and contributing ideas. The Directors have oversight responsibility for reviewing and questioning the strategies and plans of Management.
7. The Directors have oversight responsibility for reviewing systems for managing the principal risks of the Corporation's business including insurance coverages, conduct of material litigation and the effectiveness of internal controls.
8. The Directors are responsible for considering appropriate measures they may take if the performance of the Corporation falls short of its goals or other special circumstances warrant.
9. The Directors are responsible for approving the audited financial statements of the Corporation and the notes and Management's Discussion and Analysis accompanying such financial statements.
10. The Directors are responsible for reviewing and approving material transactions involving the Corporation and those matters that the Directors are required to approve under the By-laws including the payment of distributions, the issuance of shares, acquisitions and dispositions of material assets by the Corporation and material expenditures by the Corporation.
11. The Directors have responsibility for monitoring the principal risks of the Corporation.

Director Organization

12. The Directors will respond to the recommendations received from the Governance and Human Resources Committee, but retain the responsibility for managing their own affairs including their composition, the selection of the Chairman of the Directors, candidates nominated for election as Directors, Committee and Committee Chairman appointments, Committee charters and Director compensation.
13. The Directors may delegate to Director Committees matters for which they are responsible, including the approval of compensation of the Directors and Management the approval of interim financial results of the Corporation, the conduct of performance evaluations and oversight of the Corporation's internal control systems, but the Directors retain their oversight function and ultimate responsibility for these matters and all other delegated responsibilities.
14. The Directors have delegated to the Governance and Human Resources Committee responsibility for developing the Directors' approach to corporate governance, including the development of the Governance Guidelines.

Policies and Procedures

15. The Directors are responsible for:
 - a. approving and monitoring compliance with all significant policies and procedures by 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 with a view to creating a culture of integrity within the Corporation's organization; and
 - c. enforcing obligations of the Directors respecting confidential treatment of the Corporation's proprietary information and Director deliberations.
16. The Directors have approved a Disclosure Policy respecting communications to the public.
17. The Directors have adopted the Governance Guidelines to assist them in their governance responsibilities.

Communications and Reporting

18. The Directors are responsible for:
 - a. overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other securityholders and regulators on a timely and regular basis;
 - b. overseeing that the financial results of the Corporation are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
 - c. overseeing the integrity of the internal control and management information systems of the Corporation;
 - d. taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
 - e. reporting to shareholders on their stewardship as may be required under applicable securities laws and the rules of any stock exchange on which the Corporation's shares

- are listed for trading;
- f. overseeing the investor relations and communications strategy of the Corporation; and
 - g. overseeing the Corporation's implementation of systems that accommodate feedback from shareholders including by receiving and responding to feedback from shareholders through:
 - i. the Whistleblower Policy, which provides for an anonymous method of delivering complaints with respect to accounting, auditing, environmental, and health and safety matters;
 - ii. correspondence specifically addressed to the Directors which is received by the investor relations department via mail, email, and phone; and
 - iii. communications received through the Corporation's officers.

SCHEDULE "A"

GENERAL AUTHORITY GUIDELINES

AUTHORITY OF MANAGEMENT

The Directors have retained responsibility for oversight of the overall management of the Corporation, including approval of long-term strategy. The President is responsible for overall management of the Corporation, including the implementation of strategy and operations to ensure the long-term success of the Corporation. This responsibility is subject to the provisions of the By-laws and applicable law and any particular resolution of the Directors, except for the following matters that require the specific authorization of the Directors or a Director Committee. In addition, certain matters identified below will be subject to periodic review by the Directors or a Director Committee.

The delegation contemplated by these guidelines shall include the authority to establish areas of responsibility and limits of authority for members of Management.

MATTERS REQUIRING DIRECTOR OR DIRECTOR COMMITTEE APPROVAL OR REVIEW

I. ORGANIZATIONAL CHANGES AND POLICY

1. Approve major changes to the organization of the Corporation such as the creation or divestiture of significant investments or acquisitions.
2. Approve adoption of or changes to company policies with application to the conduct of Directors, including the Disclosure Policy and the Governance Guidelines.
3. Review of adherence to the policies of the Corporation.
4. Approve proposed changes to the Corporation's By-laws.

II. BUDGETS, PLANS AND COMMITMENTS

1. Review and approve the annual budget and business plan of the company.
2. Approve any single capital commitment exceeding one million in a year or over multiple years or any capital commitment, which results in expenditures in excess of the approved annual capital expenditure budget.
3. Approve major agreements or long-term leases outside the ordinary course of business of the Corporation.
4. Review and approve long-range business plans.

III. FINANCIAL AND CORPORATE

1. Approve the Corporation's annual audited financial statements, annual report, management proxy circular and annual securities law filings.
2. Approve the company's interim financial statements and other reporting in accordance with the

company's Disclosure Policy and the Audit Committee Charter.

3. Approve the declaration of distributions and changes to company policy in respect thereof.
4. Approve any dividend reinvestment plan.
5. Approve in respect of the Corporation changes in authorized capital, listing of securities, issuance or repurchase of shares, issuance, repurchase or redemption of debt securities and any prospectuses or circulars in connection therewith other than pursuant to redemptions in accordance with the By-laws.
6. Generally review operating and financial performance relative to budgets and objectives.
7. Approve borrowing, hedging and granting of guarantees by the Corporation.
8. Review significant changes in the Corporation's accounting practices or policies.
9. Review findings of any regulatory agencies concerning the financial information of the Corporation and Management's response.
10. Approve adoption of share option, share purchase or other share based compensation arrangements, if any, that involve the issuance of shares by the Corporation or involve the purchase of shares by the Corporation.

IV. EXTERNAL AUDITORS OF THE CORPORATION

1. Recommend appointment of external auditors of the Corporation by shareholders and establish their fees and approve the annual audit plan.
2. Review independence of the Corporation's external auditors.
3. Review findings of external audit review and Management's response.

V. RISK MANAGEMENT

1. Identify the principal risks of the Corporation's investments and affairs and ensure the implementation of appropriate systems to manage those risks.
2. Review the Corporation's risk management and insurance coverages.
3. Review the Corporation's conduct of litigation that could materially affect the financial condition of the Corporation.
4. Review effectiveness of the Corporation's internal control procedures.

VI. MANAGEMENT AND HUMAN RESOURCES

1. Approve appointment or removal of executives in positions at or above Vice President ("Senior Executives").
2. Confirm appointments of other officers.
3. Evaluate performance of the President.
4. Approve compensation for the President and other Senior Executives and review performance.

5. Approve contracts with Senior Executives including special termination provisions or payments.
6. Approve adoption of share purchase or other share based compensation arrangements, if any.
7. Approve short-term and long-term incentive plan criteria, targets, and awards, if any.
8. Establish and review Senior Executive succession plans.