

## AXIS AUTO FINANCE INC.

(the "Company")

### MANDATE OF THE BOARD OF DIRECTORS

As approved by the Board of Directors of the Company (the "**Board**") on July 29<sup>th</sup>, 2022.

#### A. MANDATE

The Board directly, and through its committees, oversees the management of the Company and is responsible for the stewardship of the Company, ensuring that long-term value is being created for all of its shareholders while considering the interests of the Company's various stakeholders including employees, customers and the community.

#### B. BOARD COMPOSITION

The number of directors may be set from time to time by the Board within the minimum and maximum numbers approved by the Company's shareholders and as set out in the Company's constating documents. The directors shall be elected by the Company's shareholders, except as permitted by the *Canada Business Corporations Act*. If a vacancy occurs, the Board may identify, select and approve a replacement director, or may decide to reduce the size of the Board. The Board shall be comprised of an appropriate mix of directors to comply with applicable securities regulations, including any requirements in terms of director independence. A director shall be considered independent if he or she would be considered independent for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

The Board will appoint a Chair (the "**Chair**") and a Corporate Secretary. The Chair shall be designated from among the members of the Board. If the Chair is not independent for the purposes of NI 58-101, then a majority of the Board's independent directors shall appoint an independent lead director (the "**Lead Director**") from among the directors, who shall serve for such term as the Board may determine. The Lead Director or non-executive Chair shall chair any meetings of the independent directors and assume such other responsibilities as the independent directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

#### C. MEETINGS AND BOARD PROCESS

The Board shall meet at least four times per year, once after each quarter to review financial information and annual continuous disclosure materials required by the Canadian Securities Administrators have been prepared. The Board will meet more frequently if circumstances dictate.

Board meetings will allow for input from all Board members. Any director may request that the Lead Director or non-executive Chair co-ordinate a meeting of the non-executive members of the Board.

The Chair shall be responsible for establishing or causing to be established the agenda for each Board meeting. The Board and the Board committee liaison with the Company will be principally through the Company's Chief Executive Officer. The Board may, from time to time, assign specific duties and tasks to individuals or committees.

An Audit Committee and a Compensation Committee (collectively, the "**Committees**") have been established. Each of the Committees shall operate under a written mandate document approved by the Board.

Periodically the Board will evaluate the effectiveness of the Board as a whole and ensure that appropriate succession plans are in place. This may include reviewing the process for nominating, orienting and remunerating Board members, determining the committees required and changing the mandates for the Committees.

The Board has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The Board has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

#### **D. RESPONSIBILITIES**

The Board members shall ensure that:

- (a) all Board members understand the business of the Company;
- (b) processes are in place to effectively plan, monitor and manage the long-term viability of the Company;
- (c) there is a balance between long and short-term goals and risks;
- (d) management's performance is adequate and that an adequate management succession plan is in place;
- (e) communication with shareholders and other stakeholders is timely and effective;
- (f) the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues;
- (g) business is conducted ethically and in compliance with applicable laws and regulations; and
- (h) all matters requiring shareholder approval are referred to them.

#### **E. OPERATIONAL MATTERS**

In the process of executing its responsibilities the Board will:

- (a) review corporate performance on a quarterly basis;
- (b) review and approve dividend payments, if any;
- (c) review and approve Company banking and borrowing resolutions;
- (d) review and approve any changes in the issued shares;
- (e) review accounting policies, internal control and audit procedures;

- (f) review and approve the annual continuous disclosure materials required by the Canadian Securities Administrators;
- (g) review and approve the annual financial statements and the interim quarterly results;
- (h) recommend to the shareholders the appointment of auditors and their remuneration; and
- (a) provide advice to management.

## **F. CODE OF CONDUCT**

The Board must adopt a written Code of Ethics and Business Conduct (the "**Code**") as part of its efforts to promote a culture of integrity and honesty throughout the Company. The Code will apply to the Board itself and to the Company's management and employees. Only the Board may grant any waivers to the Code. If the Board grants a waiver to the Code, the Board will determine if disclosure of the waiver is necessary in accordance with applicable laws and stock exchange rules. Contents of such disclosure will be in compliance with National Policy 58-201 — *Corporate Governance Guidelines* and NI 58-101.

## **G. WHISTLEBLOWER POLICY**

The Board will, in conjunction with the Audit Committee, establish a whistleblower policy for the Company allowing Company employees, officers, directors and other stakeholders, including the public, to raise, anonymously or not, questions, complaints or concerns about the Company's practices, including fraud, policy violations, any illegal or unethical conduct and any Company accounting, auditing or internal control matters. The Board will ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

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