

## **Mandate of the Board of Directors**

### **STATEMENT OF POLICY**

The Board of Directors (the "Board") of Astral Media Inc. (the "Corporation") supervises, monitors and evaluates the management of the business and affairs of the Corporation. The Board shall review, discuss and approve various matters related to the strategic direction, business, operations and organizational structure of the Corporation with a view to the best interests of the Corporation and shareholders generally. The Board shall approve any action leading to a material change in the nature of the business of the Corporation, including any acquisition or disposition of a significant operating unit. The Board shall approve banking relationships and key borrowing and financing decisions, appoint the officers of the Corporation, determine the officers and Directors' compensation and declare dividends.

The Board discharges its responsibilities either directly or through its committees ("Committees"). It retains plenary powers for those functions not specifically delegated by it to its Committees or to management.

### **COMPOSITION AND ORGANIZATION OF THE BOARD**

#### ***Selection of Members***

The Corporate Governance and Nominating Committee, directly or through a sub-committee, reviews and recommends to the Board the candidates for nomination as Directors. The Board approves the final choice of candidates for nomination and election by the shareholders.

#### ***Membership Criteria***

The composition of the Board, including the qualifications of its members, shall comply with the applicable requirements of the *Canada Business Corporations Act*, the stock exchanges on which the Corporation lists its securities and the securities regulatory authorities, as adopted, in force or amended from time to time.

Directors must have an appropriate mix of skills, knowledge and experience in business and a history of achievements. Directors selected should be able to commit the requisite time for all the Board's business and shall demonstrate integrity, accountability and informed judgment.

#### ***Independent Directors***

A majority of the Board shall be composed of Directors who must be determined to be independent. The number of independent Directors under the laws, regulations and listing requirements to which the Corporation is subject should fairly reflect the investment in the Corporation by shareholders other than the significant shareholder.

#### ***Chairman***

The Board shall appoint its chairman of the Board (the "Chairman") and vice-chairman of the Board (if one is to be appointed) from among the Corporation's Directors.

#### ***Term of Directors***

The Directors are elected by the shareholders at every annual meeting. The term of office of each Director shall expire at the close of the annual meeting of shareholders following that at which he or she was elected.

## **MEETINGS OF THE BOARD**

### ***Board Agenda***

The Chairman, in consultation with the Lead Independent Director and appropriate members of management, develops the agenda for board meetings.

### ***Board Material Distribution***

Information and materials that are important to the Board's understanding of the agenda items and related topics are distributed in advance of board meetings. Management will deliver information on the business, operations and finances of the Corporation to the Board on a quarterly basis and on an as-required basis.

### ***Board Meeting Frequency and Schedule***

Regularly scheduled meetings of the Board may be held at such time or times as the Board or the Chairman may determine and special meetings of the Board may be called by, or by the order of, the Chairman, the Chief Executive Officer (the "CEO") or any two Directors of the Corporation. A minimum of four regularly-scheduled Board Meetings shall be held each year. Additional meetings may be held when required.

Meetings may be held in person, or by means of telephone, electronic or other communications facilities. Minutes of the meetings of the Board shall be prepared and circulated to the Board.

### ***Management at Meetings***

Management participates in meetings and makes presentations to allow Directors to gain additional understanding and insight into the Corporation's businesses when deemed appropriate.

### ***Meetings of Independent Directors***

Every meeting of the Board shall be followed by a session at which only independent Directors and no members of management are present, to ensure free and open discussion and communication among the independent Directors.

## **DUTIES AND RESPONSIBILITIES OF THE BOARD**

In addition to its statutory responsibilities, the Board has the following duties and responsibilities:

### ***Culture of Integrity***

- satisfying itself, to the extent feasible, as to the integrity of the executive officers and as to their creation of a culture of integrity.

### ***Corporation's Strategy***

- approving a strategic planning process which takes into account, among other things, the opportunities and risks of the business; and
- approving the annual business plan and corporate objectives of the Corporation and of the CEO, participating in the preparation of the three-year strategic plan and reviewing performance against these plans at various times throughout the year but at least on an annual basis.

### ***Succession Planning of Executive Management***

- choosing the CEO, appointing executive management and approving annually CEO compensation and executive management's compensation policies;
- ensuring that an appropriate portion of CEO and executive management's compensation is tied to both the short and longer-term performance of the Corporation; and
- taking all reasonable steps to ensure that processes are in place for the recruitment, training, development, retention and succession of executives.

### ***Securities and Dividends***

- approving prospectuses, proxy circulars and proxy statements sent to shareholders of the Corporation and reviewing of Management's Discussion and Analysis of financial condition and results of operations, and other material disclosure documents as determined by the Board from time to time;
- declaring dividends on shares of the Corporation or approving the purchase, redemption or other acquisition of shares issued by the Corporation as required in accordance with applicable laws; and
- authorizing the issuance of securities of the Corporation as required in accordance with applicable laws.

### ***Financial Matters, Internal Controls and Risk Assessment***

- approving an annual operating budget for the Corporation and its subsidiaries on a consolidated basis;
- approving financings, acquisitions, dispositions, investments and other transactions not in the ordinary course of business and/or in excess of the limits prescribed in the Corporation's annual budget;
- approving the annual audited consolidated financial statements of the Corporation and, as required in accordance with applicable laws, approving the quarterly unaudited consolidated financial statements of the Corporation;
- ensuring that the Corporation is operated so as to preserve its financial integrity and in accordance with policies approved by the Board;
- overseeing the establishment by management of an adequate system of internal controls and management information systems;
- ensuring that an appropriate risk assessment process is in place to identify, assess and manage the principal risks of the Corporation's business; and
- in the event of a take-over bid, reviewing alternate strategies in response to such take-over bid in order to maximize value for shareholders.

### ***Submission of Matters or Questions Requiring the Approval of Shareholders***

- submitting to the shareholders for approval matters or questions requiring their approval; and
- approving the submission to the shareholders of any amendment to the articles of the Corporation or the approval of any adoption, amendment or repeal of any by-laws of the Corporation.

### ***Compliance with Laws and Ethical Standards***

- overseeing the maintenance by management of practices and processes to assure compliance with applicable laws and appropriate ethical standards, including the adoption by management of corporate policies and procedures and a code of ethics.

### ***Disclosure and Communication***

- adopting communications policies and monitoring the Corporation's investor relations programs, the Corporation's communication policies, including how the Corporation interacts with analysts, investors, other key stakeholders, customers, governments and the general public;
- adopting measures for the Corporation to comply with its continuous and timely disclosure obligations and to avoid selective disclosure;
- ensuring that the Board is properly informed, on a timely basis, of all important issues (including cash management and business development issues) and developments involving the Corporation and its business environment; and
- reviewing disclosure and communications policies.

## **BOARD COMMITTEES**

### ***Number, Structure and Mandate of Committees***

The Board delegates certain of its functions to Committees, each of which has a written Mandate. There are three Committees of the Board: the Audit Committee, the Compensation and Human Resources Committee, and the Corporate Governance and Nominating Committee. Other Committees or sub-committees may be established from time to time by Board resolution. The rules and responsibilities of each Committee are described in the respective Committee Mandates.

### ***Independent Committee Members***

Members of the Audit Committee, the Compensation and Human Resources Committee and the Corporate Governance and Nominating Committee (or a sub-committee thereof with delegated nominating functions) shall each have no material relationship with the Corporation and each member shall be otherwise independent under the laws, regulations and listing requirements to which the Corporation is subject.

### ***Committee Agendas***

Committee chairpersons, in consultation with the appropriate members of management, develop the agenda for Committee meetings.

### ***Committee Report to Board***

At the next Board meeting following each meeting of a Committee, the Committee chair person shall report to the Board on the Committee's activities.

### ***Frequency and Length of Committee Meetings***

Committee chairpersons, in consultation with Committee members and management, will set the frequency and length of Committee meetings.

## **ADMINISTRATIVE MATTERS**

### ***Board Performance Assessment***

The Board will ensure that regular assessments of individual Directors, the Board as a whole and its Committees are carried out in order to enhance their performance.

### ***Board Confidentiality***

Directors will maintain the absolute confidentiality of the deliberations and decisions of the Board and information received at meetings, except as may be specified by the Chairman or if the information is publicly disclosed by the Corporation.

### ***Board Interaction with Third Parties***

If a third party approaches a Director on a matter of interest to the Corporation, the Director should bring the matter to the attention of the Chairman who shall determine whether this matter should be reviewed with management or should more appropriately be dealt with by the Board.

### ***Orientation and Information***

Detailed current information on the Corporation and its business, operations and finances is sent on a quarterly basis to the Directors. In addition, new Directors shall spend time with members of senior management, including those involved in the Corporation's business operations, so that they can become rapidly familiar with the Corporation, its issues, business and operations. Care is taken to ensure that new Directors understand the roles and responsibilities of the Board and its Committees, as well as the commitment level that the Corporation expects of its Directors.

## **RESOURCES AND AUTHORITY OF THE BOARD**

**The Board shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, with the prior approval of the majority of independent members of the Board.**