

PFB CORPORATION

GOVERNANCE POLICIES OF THE BOARD OF DIRECTORS

MAJORITY VOTING POLICY

REQUIREMENTS OF THE TORONTO STOCK EXCHANGE

As an issuer listed on the Toronto Stock Exchange, the Company must adhere to the majority voting requirements of the Toronto Stock Exchange (the “TSE Majority Voting Requirement”). The mandate of the Board of Directors (the “Board Mandate”) contains provisions relating to the process for election to the Board of Directors in order for the Company to be in compliance with the TSE Majority Voting Requirement. The following is a description of the Company’s Majority Voting Policy (the “Majority Voting Policy”), as disclosed in the Board Mandate.

PFB CORPORATION MAJORITY VOTING POLICY

At meetings of Shareholders at which directors are to be elected, Shareholders will vote in favor of, or withhold from voting for, each nominee separately. If, with respect to any particular nominee, the number of votes withheld exceeds the votes cast in favor of the nominee, then for purposes of the Majority Voting Policy, the nominee shall be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law.

An individual elected as a director who is considered under the Majority Voting Policy not to have the support or confidence of the Shareholders is expected forthwith to submit to the Chairman of the Board of Directors his or her resignation from the Board of Directors.

The Corporate Governance Committee of the Board of Directors (the “Governance Committee”) is expected to recommend acceptance of the resignation offer except in situations where exceptional circumstances would warrant the director continuing to serve on the Board of Directors. In considering whether or not to recommend acceptance of the resignation offer, the Governance Committee shall consider all factors deemed relevant by members of the Governance Committee including, without limitation, the stated reason or reasons why Shareholders “withheld” votes from the election of the director, the length of service and the qualifications of the director (including, for example, the impact the director’s resignation would have on the Company’s compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Company’s securities are listed or posted for trading), such director’s contribution to the Company, and whether the director’s resignation from the Board of Directors would be in the best interests of the Company.

In reviewing the Governance Committee’s recommendation, the Board of Directors must consider the factors considered by the Governance Committee and such additional information and factors as the Board of Directors considers relevant. The Board of Directors is expected to accept the recommendation of the Governance Committee and to otherwise accept the resignation except in situations where exceptional circumstances would warrant the director continuing to serve on the Board of Directors.

A director who has tendered a resignation pursuant to the Majority Voting Policy will not participate in any deliberations of the Governance Committee or the Board of Directors with respect to his or her resignation.

Within ninety (90) days of receiving a director’s resignation, the Board of Directors will make a decision and issue a press release either announcing the resignation of the director or explaining why it has not

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been accepted, a copy of which press release must be provided to the Toronto Stock Exchange. Any resignation will be effective when accepted by the Board of Directors.

Subject to any corporate law restrictions, the Board of Directors may: (i) leave the resultant vacancy unfilled until the next annual meeting of Shareholders; (ii) fill the vacancy through the appointment of a new director who merits the confidence of the Shareholders; or (iii) call a Special Meeting of Shareholders to fill the vacant position.

The Majority Voting Policy does not apply to contested elections in which the number of director nominees for election is greater than the number of director positions on the Board of Directors. In contested elections, the directors shall be elected by the vote of a plurality of the votes cast.

Approved and effective October 25, 2018