



**CURRENCY EXCHANGE INTERNATIONAL, CORP.**

# **MANDATE OF THE BOARD OF DIRECTORS**

**As Approved by the Board of Directors on: January 22, 2025**

## Overview

<b>Executive Sponsor</b>	The Executive Sponsor of this Mandate is the Senior Director, Corporate Governance on behalf of the Board of Directors.
<b>Approvals</b>	This Mandate shall be reviewed and approved by the Governance Committee and the Board of Directors.
<b>Review Cycle</b>	This Mandate shall be reviewed at least annually.
<b>Scope</b>	This Mandate applies to Currency Exchange International, Corp

### 1. General

- a) The Board is responsible for providing stewardship, including direction setting, decision making and general oversight of the management of the business and affairs of the Corporation. The direction setting and decision-making functions are exercised in the development, with management, of the Corporation's strategic goals and fundamental policies, and through the approval of significant actions. The oversight function is carried out through the review of management decisions, the adequacy and operating effectiveness of systems and controls and the implementation of policies. The Board of Directors establishes formal delegations of authority, defining the limits of management's authority and delegating to management certain powers to manage the business of the Corporation. The delegations of authority conform to statutory limitations specifying responsibilities of the Board and those that cannot be delegated to management. Any responsibilities not delegated to management remain with the Board of Directors and its committees. The Board shall, in fulfilling its responsibilities, have unrestricted access to management and authority to select, retain, terminate, and approve the fees of any independent legal, accounting, or other advisor to assist it in fulfilling its responsibilities. The Board is responsible for the Corporation's business plan, strategy, risk appetite, internal controls, culture, sustainability, and oversees Executive Management. The Board should, collectively, bring a balance of diversity, expertise, skills, experience, competencies and perspectives, taking into account the Corporation's strategy, risk profile, culture and overall operations.
- b) As an integral part of that stewardship responsibility, the Board will carry out the following duties, either itself, or through one of its duly appointed and constituted Committees of the Board.

### 2. Definitions

- a) **Board:** the Board of Directors of the Corporation.
- b) **CEO:** the President/Chief Executive Officer of the Corporation.
- c) **Chair:** the Chair of the Board.

- d) **Director:** refers to the members of the Board of the Corporation or its subsidiaries.
- e) **CXI or the Corporation:** Currency Exchange International, Corporation.
- f) **GC:** the Governance Committee of the Board.
- g) **Executive Management:** the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer or AML BSA Compliance Officer, Managing Director, Senior Vice President IT, Treasurer, and Senior Vice President HR or any other Officer as appointed by the Board.

### **3. Strategic Planning Process**

- a) Supervise the formulation of the strategic direction, plans and priorities of the Corporation and approve the strategic plan, developed and proposed by the Corporation's management. The strategic plan will consider the business opportunities and business risks of the Corporation. Periodically, the Board will review with Executive Management, the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation.
- b) Approve significant strategic initiatives of the Corporation such as mergers and acquisitions.
- c) Monitor the Corporation's performance against its strategic and business plans.
- d) Review and approve the Corporation's financial objectives, business plans and actions, including significant capital allocations, expenditures, and the annual budget.
- e) Review and approve material transactions not in the ordinary course of business of the Corporation.

### **4. Internal Controls and Oversight Functions**

- a) Approve the Corporation's internal control framework and review the implementation of internal controls and their effectiveness.
- b) Oversee the integrity and effectiveness of the internal control framework and management information systems and obtain assurances on a regular basis that these systems and controls are designed and operating effectively.
- c) Approve the mandate, resources (amount and type) and budgets of the Corporation's oversight functions, as well as the appointment, performance review and compensation of the heads of those functions. The oversight functions include Finance, Risk Management, Compliance and Internal Audit, the heads of which have unfettered access and a direct reporting line to the Board or the appropriate Board Committee.
- d) Review and discuss the findings and reports produced by Executive Management and understand how material differences with Executive Management are being addressed, follow up on any concerns being raised and track Executive Management's action plans related thereto.
- e) At least annually, assess the effectiveness of the oversight functions and processes. As part of its assessment, the Board may, if it deems appropriate, periodically commission

an independent external advisor to conduct a benchmarking analysis of these functions or their processes.

- f) Oversee compliance with applicable audit, accounting and reporting requirements.

## **5. Risk Management**

- a) Provide challenge, advice and guidance to the Executive Management on:
  - i) Operational, business and risk management policies, including those in respect of market, operational, regulatory compliance and strategic risks, and their effectiveness.
  - ii) The effectiveness of the Risk Management Framework, the internal control framework, oversight functions and significant policies and plans related to management of risk.
  - iii) Approve the Risk Management Framework and the Risk Appetite Statement.
  - iv) Oversee the Corporation's Business Continuity Management program including reviewing status reports and any associated material audit or regulatory issues.
  - v) Review the systems and processes implemented by management to identify and manage the Corporation's principal risks.
  - vi) Review the process implemented by management to ensure the Corporation's compliance with applicable laws, regulations and guidelines.

## **6. Succession Planning and Evaluation of Executive Management**

- a) Supervise the succession planning processes of the Corporation, including the selection, appointment, goal setting, performance review and development of the President and Chief Executive Officer and Executive Management.
- b) Evaluate and approve the compensation of the CEO and Executive Management, to ensure that it is competitive within the industry, that the form of compensation aligns the interests of each such individual with those of the Corporation and that the compensation is consistent with regulatory guidelines and prescribed best practices.
- c) Recommend the appointment and, if appropriate, the termination of the President and CEO of the Corporation.

## **7. Corporate Governance**

- a) Develop the Corporation's approach to corporate governance and the Corporation's corporate governance principles and guidelines.
- b) Adopt a corporate code of ethics for all employees, management, and the Board, and monitor compliance with such code, if appropriate.
- c) Review the Company's human resources strategy, including the Company's Talent strategy, and the Company's Corporate Culture including its accountability, oversight, risks and reinforcement, policies and programs;

- d) Review the compensation of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective Director, and that the compensation is consistent with regulatory guidelines and prescribed best practices.
- e) Establish appropriate structures and procedures to allow the Board to function independently of management.
- f) Establish Committees of the Board, develop their mandates and, subject to applicable law, delegate such matters to any Committee to assist the Board in carrying out its duties and responsibilities.
- g) Establish expectations and responsibilities of Directors, including preparation for, attendance at, and participation in, Board and Committee meetings and Board educational sessions.
- h) Undertake regular evaluations of the Board, its Committees and individual Directors, and review the composition of the Board, with a view to the effectiveness and independence of the Board and its members. Confirm adequacy of Board Member skills to ensure Committee Chair succession.
- i) Satisfy itself as to the integrity of Executive Management and that Executive Management creates a culture of integrity throughout the Corporation.

## **8. Mandate of Individual Directors**

Each individual Director of the Board will have the following specific responsibilities:

- a) Assume a stewardship role and oversee the management of the business and affairs of the Corporation.
- b) Act honestly and in good faith with a view to the best interests of the Corporation and with the diligence and care of a reasonably prudent person.
- c) Ensure sufficient time to devote to the Director's responsibilities, including Committee membership and Committee leadership responsibilities and participation in Director orientation and on-going Director development activities.
- d) Maintain a clear understanding of the Corporation and its operations, including its strategic and business plans, emerging trends and issues, significant capital allocations and expenditures, risks and management of those risks.
- e) Prepare for each Board and Committee meeting by reviewing materials provided and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, make informed business judgments, and exercise oversight.
- f) Absent a compelling reason, attend every Board and Committee meeting, and actively participate in deliberations and decisions. When attendance is not possible, a Director should become familiar with the matters covered at the meeting.
- g) Participate in Board deliberations fully and frankly and in a manner that encourages free and open discussion of issues. Be a positive and constructive force within the Board.

- h) Act in compliance with the Corporation's Code of Business Conduct and Ethics, in the highest ethical manner and with integrity in all professional dealings.

## **9. Financial**

- a) The Board is responsible for monitoring of financial performance and other financial reporting matters as follows:
  - i) The Board shall be responsible for approving the interim and audited financial statements and the notes thereto and the Corporation's management discussion and analysis with respect to such financial statements which shall include the following:
    - Overseeing the accurate reporting of the financial performance of the Corporation to its shareholders on a timely and regular basis;
    - Overseeing that the financial results are reported fairly and in accordance with international financial reporting standards; and
    - Ensuring the integrity of the internal control and management information systems of the Corporation.
- b) The Board is responsible for establishing and periodically reviewing a dividend policy for the Corporation.
- c) The Board approves a disclosure policy that includes a framework for investor relations and a public disclosure policy.

## **10. Financial Crime**

- a) Approve the Corporation's Bank Secrecy Act/Anti-Money Laundering/Office of Foreign Assets Control ("BSA/AML/OFAC") program framework, including key Compliance policies.
- b) Receive regular reports from the BSA AML Compliance Officer and other Executive Management on the design and operation of the BSA/AML/OFAC program, including the adequacy of resources (people, data management systems and budget) supporting the program.

## **11. Sustainability (ESG)**

- a) Approve the Company's environmental, social and governance ("ESG") strategy, including policy.
- b) Receive regular reports and recommendations from the Governance Committee on the integration and operations of the ESG strategy.

## **12. Reporting**

Receive sufficient briefing with respect to inherent risks and controls of the Corporation to have an adequate level of understanding about the Corporation's Risk Management, Regulatory Compliance, BSA/AML/OFAC, Finance, Information Technology and Operations.

## **13. Policy Review and Approval**

This Mandate will be reviewed by the Governance Committee and recommended to the Board of Directors for approval annually.