



## MANDATE OF THE BOARD OF DIRECTORS

### 1. PURPOSE

The purpose of this Mandate is to clarify and to define the boundaries between the roles and responsibilities of management and the Board of Directors of the Corporation. The Board does not manage the Corporation; rather it delegates this function to management, and then supervises and evaluates management's execution of the Board approved corporate strategic plan.

### 2. INTERPRETATION

An **"Audit Committee Financial Expert"** means a person who has the following attributes: (a) an understanding of generally accepted accounting principles and financial statements; (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls over financial reporting; (e) an understanding of audit committee functions. A person shall have acquired such attributes through: (a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (c) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (d) other relevant experience.

**"Board of Directors"** or **"Board"** means the Board of Directors of the Corporation.

**"Chairman"** means the Chairman of the Board.

**"Corporation"** means, collectively, IMV Inc. and any parent or subsidiary of IMV Inc., including, without limitation, ImmunoVaccine Technologies Inc.

**"Executive Officer"** means the president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of a company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the company. Officers of a company's subsidiaries shall be deemed officers of the Corporation if they perform such policy-making functions for the Corporation.

**"Family Member"** means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

**"Financially Literate"** means the ability to read and understand a set of fundamental financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of the Corporation (including, without limitation, a balance sheet, income statement, and cash flow statement).

**“Independent Director”** means a director who is not an Executive Officer or employee of the Corporation or any other individual who has a direct or indirect relationship with the Corporation, which would interfere with the exercise of an independent judgment regarding the best interests of the Corporation or in carrying out the responsibilities of a director. An individual is not an Independent Director if such individual:

- a) is, or has been within the last three years, an employee or Executive Officer of the Corporation;
- b) is a Family Member of an individual who is or has been, within the last three years, an Executive Officer of the Corporation;
- c) is or has been (or whose Family Member is or has been), within the last three years, an Executive Officer, a partner or an employee of a material service provider of the Corporation (including the external auditors);
- d) is or has been (or whose Family Member is or has been), within the last three years, an Executive Officer of another entity where at any time within the last three years any of the Executive Officer’s of the Corporation served on the entity’s Compensation Committee;
- e) has a relationship with the Corporation under which he or she may directly or indirectly accept any consulting, advisory or other fees from the Corporation or a related entity, except for any compensation as a member of the Board or as a member of a committee of the Board;
- f) received (or whose Family Member received) more than C\$75,000 in compensation from the Corporation (excluding (A) fees as a director or Committee member, (B) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Corporation, or (C) benefits under a tax-qualified retirement plan or non-discretionary compensation) during any consecutive 12 month period within the last three years) during any consecutive 12 month period within the last three years;
- g) is, or has a Family Member who is, a partner in, or a controlling shareholder or an Executive Officer of, any organization to which the Corporation made, or from which the Corporation received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or US\$200,000, whichever is more, other than the following: (i) payments arising solely from investments in the Corporation’s securities; or (ii) payments under non-discretionary charitable contribution matching programs;
- h) is a natural person who controls the Corporation; or
- i) is an affiliate of the Corporation (or any subsidiary of the Corporation).

### **3. PRINCIPAL DUTIES OF THE BOARD**

#### **3.1 GENERAL**

The Board must be fully informed of the Corporation’s affairs, be actively engaged in the development of the Corporation’s strategic direction and must supervise how that direction is conducted by management. In doing so, the Board is responsible to appoint a competent executive management team. The Board will oversee and monitor the management of the business of the Corporation.

The Corporation will maximize its wealth and well-being through thoughtful, independent business decisions. Through an appropriate system of corporate governance and financial controls, the Board will ensure fair financial reporting to the public, as well as ethical and legal corporate conduct. To ensure that the decisions and actions of management serve the interests of the Corporation, the Board will carry out its mandate through the following committees of the Board: the Audit Committee, the Compensation Committee and the Governance Committee. The Board may also appoint other committees from time to time.

### **3.2 ASSESSMENT OF INTEGRITY OF MANAGEMENT**

The Board will satisfy itself as to the integrity of the Chief Executive Officer and senior management of the Corporation through its ongoing monitoring of their performance as well as through the Whistleblower Policy. The Board will satisfy itself that the Chief Executive Officer and senior management create a culture of integrity throughout the organization by overseeing and monitoring management to ensure a culture of integrity is maintained.

### **3.3 ADOPTION OF A STRATEGIC PLANNING PROCESS**

The Board will adopt a strategic planning process and review and approve annually a corporate strategic plan for any operating subsidiary of the Corporation which takes into account, among other things, industry and other trends, research and development and product development strategies, specific problem areas, action plans, and the opportunities and risks of the business. The Board will then also review operating and financial performance results relative to established strategy, budgets and objectives to monitor the progress of the Corporation against the goals addressed in the strategic plan.

### **3.4 IDENTIFICATION OF PRINCIPAL RISKS AND IMPLEMENTING MANAGING SYSTEMS**

The Board will identify and review with management the principal business risks to the Corporation and will ensure that appropriate procedures are implemented to monitor and mitigate those risks. The Board will also ensure that effective systems are in place to monitor the integrity of the Corporation's internal controls and management information systems.

The Board will confirm that management processes are in place to address and comply with applicable corporate, securities and other compliance matters, as well as with applicable laws and regulations. The Board will also confirm and monitor that processes are in place to comply with the Corporation's articles and by-laws and the Corporation's Whistleblower Policy.

### **3.5 SUCCESSION PLANNING (APPOINTMENT, TRAINING AND MONITORING MANAGEMENT)**

The Board delegates authority to the Chief Executive Officer for the overall management of the Corporation. This includes strategy and operations to ensure the Corporation's long term success. To ensure the integrity of the Chief Executive Officer, the Board will:

- a) approve the Compensation Committee's position description for the Chief Executive Officer. This position description will delineate management's responsibilities and the corporate goals and objectives that the Chief Executive Officer is responsible for meeting;
- b) assess the performance of the Chief Executive Officer against a set of mutually agreed corporate objectives through a process that includes a comparison of the Chief Executive Officer's performance against the duties outlined in the Chief Executive Officer position description and review of the Chief Executive Officer's performance by the Board and the Compensation Committee; and
- c) approve Chief Executive Officer compensation as determined by the Compensation Committee, through a process described in its mandate.

In meeting its responsibility for ensuring succession planning, the Board will satisfy itself that management possesses the necessary level of integrity, skill and experience. In doing so, the Board will:

- a) establish boundaries between Board and management responsibilities and establish limits of authority delegated to management. In doing so, the Board will decide how engaged it wants to be in influencing management's decisions and the Corporation's direction. The Chief Executive

Officer and the directors will agree amongst themselves which level of Board engagement best fits the Corporation;

- b) appoint corporate officers and approve their compensation, based on level and amount of responsibility, as recommended by the Compensation Committee;
- c) monitor the performance of the Chief Executive Officer against corporate objectives directed at maximizing the financial value of the Corporation; and
- d) establish a process to adequately provide for Chief Executive Officer succession.

### **3.6 COMMUNICATIONS POLICY**

The Board will confirm that management has established a system for corporate communications to shareholders and the public, including processes for consistent, transparent and timely public disclosure. In doing so, the Board, through its Governance Committee, will:

- a) adopt a communications and disclosure policy relating to, among other matters, the confidentiality of the Corporation's business information and conflicts of interest;
- b) ensure the Corporation maintains the communications systems to effectively communicate with its stakeholders; and
- c) assure themselves that information and reporting systems exist in the Corporation that are reasonably designed to provide timely accurate information sufficient to allow themselves and management to reach informed decisions.

### **3.7 APPROACH TO CORPORATE GOVERNANCE AND GOVERNANCE GUIDELINES**

Transparency, accountability and integrity are not just key elements of good governance, but are fundamental values to the Corporation. To ensure that the Corporation continues to uphold a high standard in governance practices, the Board will:

- a) appoint a Governance Committee composed of directors who meet the criteria for independence contained in applicable laws and stock exchange rules and regulations;
- b) clearly articulate what is expected from a director or officer, as applicable, by developing a position description for directors, the Chairman, the Chief Executive Officer and the chair of each Board committee; and
- c) review and assess the adequacy of the Audit Committee, and the Compensation Committee and the Governance Committee mandates, as well as this Mandate, on an annual basis.

## **4. BOARD ORGANIZATION**

### **4.1 AVAILABILITY**

The Corporation will only recruit individuals who have sufficient time and energy to devote to the task of being a director.

### **4.2 QUALIFICATIONS**

The Board will determine Board member qualifications. In doing so, the Board will first determine the competencies and skills the Board as a whole is expected to possess. The Board will then determine what

competencies and skills existing directors have, to ensure the capabilities and qualities of each director contribute to the Board's role in the Corporation.

#### **4.3 COMPOSITION**

The Board will consist of directors who represent cosmopolitan personal experiences and backgrounds, particularly amongst the Independent Directors. At a minimum, each director shall have demonstrated the highest personal and professional integrity; significant achievement in his or her field; experience and expertise relevant to the Corporation's business; a reputation for sound and mature business judgment; the commitment to devote the necessary time and effort in order to conduct his or her duties effectively; and, where required, be Financially Literate and/or an Audit Committee Financial Expert.

#### **4.4 SIZE**

The Corporation's articles permit a maximum of 15 directors. To facilitate effective decision-making, the Board believes that the appropriate size of the Board is currently in the range of 6 to 8 directors.

#### **4.5 INDEPENDENT DIRECTORS**

The Board will affirmatively determine that the Board is composed of a majority of Independent Directors.

#### **4.6 NOMINATION OF DIRECTORS**

Although directors may be nominated to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times. To ensure this, the Board will:

- a) appoint a Governance Committee composed of Independent Directors; and
- b) confirm a formal process for selecting directors by the Governance Committee.

#### **4.7 EXECUTIVE SESSIONS**

To encourage and enhance communication among Independent Directors, the Board will hold regularly scheduled meetings at least twice per year at which only Independent Directors are present.

### **5. BOARD INDEPENDENCE**

To promote the effective functioning of the Board and its committees, the Board will:

- a) establish committees composed of independent directors (as then defined under applicable securities laws and stock exchange rules for each such committee) and approve their respective mandates and the limits of authority delegated to each committee; and
- b) ensure that, at the Corporation's expense, the Board and its committees may retain outside legal and other experts where reasonably required or required by applicable securities laws or stock exchange policies to assist and advise the Board and committees in carrying out their duties and responsibilities.

### **6. CHAIRMAN**

- a) The Chairman shall be an Independent Director;
- b) The Chairman shall oversee that the Board of Directors discharges its responsibilities, ensure that it evaluates the performance of the Executive Officers of the Corporation objectively and that the

Board understands the boundaries between the Board's responsibilities and those of the Executive Officers;

- c) The Chairman should be able to stand sufficiently back from the day-to-day running of the business of the Corporation to ensure that the Board of Directors is in full control of the affairs of the Corporation and alert to its obligations to the Corporation's shareholders; and
- d) The Chairman, in collaboration with senior management, shall prepare the agenda for Board meetings.

## **7. EVALUATION**

The Board will establish appropriate processes for the regular evaluation of the effectiveness and performance of the Board, this Mandate, Board committees, the mandates of each Board committee, individual directors and the position descriptions applicable to each individual director.

## **8. BOARD COMPENSATION**

The Board will review the adequacy and form of directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director. Therefore, the Board will:

- a) appoint a Governance Committee composed entirely of Independent Directors; and
- b) approve the Governance Committee's process and determination of directors' compensation. This process is outlined in the mandate of the Governance Committee.

## **9. ETHICAL BUSINESS CONDUCT**

To encourage and promote a culture of ethical business conduct in the Corporation, the Board has adopted a Whistleblower Policy for directors, officers and employees, and monitors compliance with that policy.

## **10. BOARD'S EXPECTATION OF MANAGEMENT**

The Board expects management to act in the best interests of the Corporation. To this end, management will uphold the highest standards of ethical behavior and will create a culture of integrity throughout the Corporation. Management is expected to strive to enhance the financial value and the long-term sustainability of the Corporation.

Adopted by the Board on April 6, 2010 and amended on March 10, 2016, May 23, 2018 and November 1, 2018