



## POSITION DESCRIPTION OF INDIVIDUAL DIRECTORS

### GENERAL

The Board of Directors (the “**Board**”) is responsible for providing independent oversight of the management of the business and affairs of the Medical Facilities Corporation (the “**Corporation**”). In carrying out his/her responsibilities, each director (“**Director**”) will perform those duties set out in the Board Charter, applicable Board committee charters and such other duties as necessary or appropriate.

In discharging his/her duties, a Director must:

- a) understand the role, responsibilities, expectations and legal obligations of being a Director;
- b) act honestly and in good faith with a view to the best interests of the Corporation;
- c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- d) represent the interests of all stakeholders in the governance of the Corporation and ensure that the best interests of the Corporation are paramount; and,
- e) respect confidentiality by keeping confidential any information that has not been disclosed to the public.

### RESPONSIBILITIES

Without limiting the generality of the duty of a Director as described previously, a Director shall:

#### 1. Time Commitment

- Ensure sufficient time to devote to the Director’s responsibilities, including committee membership and ongoing director development activities.
- Attend at least 80% (either in person or by conference call) of all Board and applicable committee meetings. Anything less, without extenuating circumstances, would create considerable concern for the Board.
- Regularly arrive on time and remain at Board and Board committee meetings until the meetings end.

## **2. Preparedness for and Participation in Meetings**

- Maintain a clear understanding of the Corporation and its operations including its strategic and business plans, emerging trends and issues, significant risks and management of those risks. Without limiting the generality of the foregoing, each Director shall:
  - a) prepare for each Board and committee meeting by reading in advance all of the materials provided to Directors of the Board and committees of the Board and, when necessary, acquiring adequate information necessary to properly participate in the Board's deliberations, make informed business judgments and exercise oversight;
  - b) demonstrate a sufficient level of financial literacy to understand the Corporation's financial statements and the ability to appreciate the financial implications of strategies, tactics and transactions proposed by management;
  - c) review and evaluate management's recommendations and proposals to the Board in order to obtain reasonable assurance that what is being proposed is plausible and in the best interests of the Corporation;
  - d) understand and contribute to the broad range of issues that the Board and its committees must consider;
  - e) demonstrate and encourage innovative thinking;
  - f) consistently use his/her best efforts in discharging his/her duties as a Director;
  - g) make available his/her knowledge and experience;
  - h) consistently evaluate Board decisions and proposed actions in the context of the Corporation's strategy; and
  - i) understand and respect the differences between the Board's job (as specified in the Charter of the Board) and the job of management.

## **3. Meeting Protocol**

- Encourage open and candid discussion of the real issues at meetings of the Board and Board committees;
- Apply a collaborative approach to decision-making by the Board and Board committees;
- Listen to and be respectful of the views of other Directors and members of management;
- Be prepared to respectfully express honest disagreement with the views of management and other Directors;

- Question and probe all relevant management and Board decisions (as specified in the Charter of the Board) in a positive and constructive manner;
- Be willing to change his/her mind in appropriate circumstances;
- Attempt to reconcile and integrate various points of view;
- Direct any concerns about individual Board members first to the Board Chair for resolution and subsequently, if necessary, to the Chair of the Corporate Governance, Nominating and Compensation Committee (“CGNC Committee”); and
- Direct any concerns about the Board Chair preferably first to the Board Chair for resolution or, alternatively, to the Chair of the CGNC Committee.

#### **4. Independence**

- The non-management directors shall meet the independence requirements of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. Specifically, the non-management Director shall act independent of management in all matters.

#### **5. Committees**

- Participate on committees when asked and become knowledgeable about the committee’s purpose and objectives, including its charter. The Director is expected to understand how the committee functions and the role of management and staff supporting the committee.

#### **6. Equity**

- Comply with the Policy re: Directors’ Ownership of Securities to facilitate alignment with the Corporation’s long-term interests.

#### **7. Governance**

- Comply with all Corporation policies.

### **CONFLICTS OF INTEREST**

Directors are expected to identify in advance any conflict of interest regarding a matter coming before the Board or its committees and to refrain from voting on such matters in accordance with applicable law and the Corporation’s by-laws. If a Director is uncertain of the nature or extent of a potential conflict, he/she should discuss the matter in advance with the Board Chair. The Director will excuse himself/herself from the discussion and will not participate in the deliberations nor vote on the matter and minutes of the meeting will record the disclosure and abstention.

## **CHANGE OF CIRCUMSTANCES AND BOARD APPOINTMENTS**

Directors must inform the Board Chair or the Chair of the CGNC Committee of any change in their personal or professional circumstances that may impact their continued ability to serve the Corporation effectively or, if they have been determined by the Board to be independent, that may impact their continued standing as independent directors, including changes in employment, board appointments, personal bankruptcy, or criminal, civil, administrative or other investigative proceedings.

While it is not the intention of the Corporation to restrict the right of Directors to become directors of other entities, it is the intention of the Corporation to ensure the Directors can discharge their duties in the best interests of the Corporation, commit the time necessary to devote to the Corporation and non-management Directors maintain their independence. Directors are required to discuss with the Board Chair an invitation to join the Board of another public corporation, *prior to accepting the appointment*, where:

- there may be a potential conflict of interest, or
- another Director or a member of the Corporation's management serves on that board (creating interlocking directorships), or
- the appointment will exceed the limit of three directorships, in accordance with the External Directorship Policy.

The CGNC Committee will review such changes and consider the Director's continued position on the Board.

## **EVALUATIONS**

Board members acknowledge that their performance as a Director on the Board will be evaluated annually based on this Position Description.

## **DIRECTOR TERMINATION AND RESIGNATION**

A Director whose evaluation shows that he/she has not satisfactorily carried out his/her duties in compliance with this Position Description *and who refuses to undertake corrective action* shall be deemed to not meet the standard expected of a Director of the Corporation and will be asked to resign from continuing to serve as a Director.

Directors are expected to submit their resignation from the Board to the Board Chair if any of the following events occur:

- the Director is in breach of Section 1 "Time Commitments" above;
- the independence of a non-management Director, as specified in Section 3 "Meeting Protocol" above, becomes impaired;

- the Director becomes involved in a legal or administrative dispute that could materially impact his/her ability to serve as a Director or negatively impact the reputation of the Corporation;
- the Director takes on new responsibilities in business, politics or the community which may conflict with the goals of the Corporation or materially reduce his/her ability to serve as a Director; or
- there is any other change in the Director's personal or professional circumstances that materially reduces his/her ability to serve as a Director or fully participate in meetings, including serving on more than three boards of directors.

The Board Chair will review any submitted resignation with the CGNC Committee and recommend to the Board whether the resignation should be accepted.