



Corporate Governance Guidelines

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Approved:	Board of Directors

A. Purpose and Scope

The Board of Directors of Itafos Inc. (“**Itafos**” or the “**Company**”) is responsible for the general supervision of the management of the business and for acting in the best interests of the Company and its shareholders. The Board of Directors (“**Board**”) will discharge its responsibilities directly and through its committees, currently consisting of an Audit Committee, a Compensation Committee and a Governance and Nominating Committee. Any responsibility not delegated to a committee of the Board or an individual member of the Board remains with the Board.

The Board has adopted these corporate governance guidelines (these “**Guidelines**”). These Guidelines, in conjunction with Itafos’ certificate of incorporation, bylaws, and the charters of the committees of the Board, form the framework of governance of Itafos. The governance structure of Itafos is designed to be a working structure for principled actions, effective decision-making and appropriate monitoring of both compliance and performance.

B. The Role of the Board of Directors

The Board oversees the Chief Executive Officer (the “**CEO**”) and other executive officers (which shall mean the direct reports of the CEO with a level of VP or above) in the competent, efficient, and ethical operation of Itafos on a day-to-day basis and ensures that the long-term interests of the stakeholders are being served.

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of Itafos and its stakeholders. As part of that responsibility, the Board will review the major risks facing the Company and help develop strategies to address these risks. In fulfilling their duties, directors may reasonably rely on the honesty and integrity of Itafos’ executive management and expert legal, accounting, financial and other advisors. Each director shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

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C. Composition and Meetings

The composition of the Board shall include independent members, according to the independence standards and requirements of stock exchanges on which the Company is listed and securities laws, rules and regulations.

A Chair of the Board shall be appointed by the Board at the time of each annual meeting of the shareholders of the Company and shall hold office until the next annual meeting of shareholders or until a successor is appointed. The Chair of the Board will lead each Board meeting. If the Chair is not present at a Board meeting, one of the other independent members of the Board present at the meeting shall be chosen by the directors present at the meeting to preside as chair.

The Board shall meet regularly to review the business operations, corporate governance and financial results of the Company. Meetings of the Board shall include regular meetings with management to discuss specific aspects of the operations of the Company. The time at which and place where meetings of the

Board shall be held, and the calling of the meetings and procedures of such meetings, shall be determined by the Board in accordance with the Company's articles, by-laws, and applicable laws.

The Board may ask members of management or others to attend meetings and provide pertinent information, as necessary. For purposes of performing their responsibilities, members of the Board shall have full access to all corporate information and shall be permitted to discuss such information with senior management, officers, independent auditors and legal counsel of the Company. The Board may engage separate independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable to perform its duties and responsibilities.

All Board members are expected to attend, in person or via teleconference, video conference, or other electronic communications facilities that permits all participants to communicate adequately, all meetings of the Committee, to come prepared for the meeting, and to remain in attendance for the duration of the meeting.

D. Responsibilities and Duties

In discharging duties under these Guidelines, each member of the Board shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in the same circumstances. Each director is responsible for providing constructive counsel regarding, and oversight of, the activities of the Company and management of the Company, consistent with a director's statutory and fiduciary obligations to the Company.

The Board's responsibilities include, without limitation to its general mandate, the following specific responsibilities:

1. Assigning Directors to the various committees and assigning the general responsibility for developing the Company's approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of officers and employees, (iii) governance and nomination matters; and such other areas as may be appropriate;
2. Approving disclosure and securities compliance policies, including communications policies of the Company;
3. Reviewing and updating these Guidelines periodically, as conditions dictate;
4. Reviewing the composition of the Board and establishing its independence criteria;
5. Overseeing the Company's enterprise risk management practices that identify and, as appropriate, mitigate the principal current and emergent risks of the Company's business;
6. Reviewing and approving significant operational matters and the provision of direction to management on these matters;
7. With the assistance of the Compensation Committee:
 - a. Evaluating the performance of the CEO and other executives on a regular basis;
 - b. Ensuring appropriate management succession planning (including appointing, training, development and monitoring of senior management) is occurring; and
 - c. Approving the compensation of the senior management team;
8. With the assistance of the Governance and Nominating Committee:

- a. Assessing the effectiveness of the Board of Directors, the committees of the Board of Directors and the performance and contribution of the Board, the committees and the individual directors, including, consideration of the appropriate size of the Board;
 - b. Ensuring that an appropriate review selection process for new nominees to the Board is in place; and
 - c. Ensuring that an appropriate comprehensive orientation and education program for new members of the Board and ongoing education for all directors is in place;
9. With the assistance of the Audit Committee:
- a. Monitoring and overseeing the Company's auditing, accounting, financial reporting process and internal controls, its processes to manage financial risk, and its compliance with legal, ethical and regulatory requirements regarding financial reporting;
 - b. Overseeing the integrity of the Company's financial statements;
 - c. Reviewing and approving the consolidated financial statements and Management's Discussion and Analysis or, where permitted, delegating such authority to the Audit Committee; and
 - d. Reviewing and approving significant financial matters and the provision of direction to management on these matters;
10. Reviewing the strategic planning process, approving key strategic plans (including capital and operating budgets) that take into account business risks and opportunities and periodically monitoring performance against such plans;
11. Reviewing and approving corporate objectives and goals applicable to the Company's senior management;
12. Reviewing with senior management major corporate decisions that require Board approval and approving such decisions as they arise to ensure that the Company maintains a sustainable strategy focused on long-term performance and value;
13. Obtaining periodic reports from senior management on the Company's culture and operations including, but without limitation, reports on safety and environment issues and security issues surrounding the Company's employees and assets and the protection mechanisms that the Company has in place;
14. Performing such other functions as prescribed by law or assigned to the Board in the Company's articles or other governing documents;
15. Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company;
16. Setting out measures for receiving feedback from stakeholders such as processes to permit stakeholders to directly contact the independent directors;

17. Setting out expectations and responsibilities with respect to directors' attendance at board meetings and advance review of meeting materials; and
18. Ensuring minutes of meetings are circulated to directors with sufficient time to allow for directors to review and ensure minutes are approved by the Board at the subsequent meeting.

E. Role of Chair of Board of Directors

The principal role of the Chair of the Board is to manage and to provide leadership to the Board of the Company. The Chair of the Board is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the CEO. The Chair acts as the communicator for Board decisions where appropriate. The concept of separation of the role of the Chair from that of the CEO implies that the Chair should be independent from management and free from any interest and any business or other relationship which could interfere with the Chair's independent judgment other than interests resulting from Company shareholdings and remuneration.

More specifically, the duties and responsibilities of the Chair are as follows:

1. To promote and oversee the highest appropriate standards of corporate governance practices within the Board and the Company;
2. To act as a liaison between management and the Board, the Chair will lead the Board as well as discussions on all proposals put forward by the executive team;
3. To provide independent advice and counsel to the CEO;
4. To keep abreast generally of the activities of the Company and its management;
5. To ensure that Board members receive accurate, timely and clear information to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company;
6. To maintain a proper process to ensure compliance with Board policy on matters reserved to the Board for consideration;
7. To act as Chair at meetings of the Board;
8. To review and sign minutes of Board meetings;
9. To sit on other Committees of the Board where appropriate as determined by the Board;
10. To call special meetings of the Board where appropriate;
11. In concert with the CEO, to determine the date, time and location of meetings of the Board and the annual meeting of shareholders, and to develop the agenda for the meetings;
12. To act as Chair at meetings of shareholders;
13. To recommend to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board;
14. To assess and make recommendations to the Board annually regarding the effectiveness of the Board, the Committees of the Board and individual Directors; and to ensure that

regularly, upon completion of the ordinary business of a meeting of the Board, the Directors hold discussions without management present; and

15. To create the conditions for overall Board and individual director effectiveness including promotion of an appropriate induction program for new directors, creating the opportunity for maintenance of the relevant skills and knowledge required to fulfil the director role on the Board and its committees and ensuring the Board undertakes an annual evaluation of its own performance, that of its committees and that of individual directors, including the Chair of the Board.