

**Uranium  
Participation  
Corporation**



**Management  
Information  
Circular**

**Annual and Special Meeting  
of Shareholders  
June 29, 2017**

Dated May 15, 2017



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the “**Meeting**”) of Uranium Participation Corporation (“**UPC**” or the “**Corporation**”) will be held at the office of Cassels Brock & Blackwell LLP, 40 King Street West, Suite 2100, Toronto, Ontario on **Thursday, June 29, 2017 at 9:30 a.m.** (Eastern Time) for the following purposes:

- (a) to receive the consolidated financial statements of UPC for the year ended February 28, 2017, together with the auditor’s report thereon;
- (b) to elect the directors for the ensuing year;
- (c) to reappoint PricewaterhouseCoopers LLP as the auditors for the upcoming year and to authorize the directors to fix the remuneration of the auditors;
- (d) to consider and, if deemed appropriate, to pass, with or without variation, a special resolution approving the reduction in the stated capital of the common shares of the Corporation by \$641,243,000, or such lesser amount as may be approved by the board of directors of the Corporation and in respect of which no amount is to be distributed to holders of issued shares of the Corporation; and
- (e) to transact such other business as may properly come before the Meeting.

Your vote is important. If you held shares of the Corporation on May 12, 2017, you are entitled to receive notice of and vote at this Meeting or any postponement or adjournment of it.

The 2017 Annual Report, including the audited consolidated financial statements and related management’s discussion and analysis for the year ended February 28, 2017, has been mailed to those shareholders who requested a copy. This information is also available on UPC’s website at [www.uraniumparticipation.com](http://www.uraniumparticipation.com) or on SEDAR at [www.sedar.com](http://www.sedar.com) or by request to the Corporate Secretary of the Corporation at 1100 - 40 University Avenue, Toronto, Ontario M5J 1T1.

As described in the “notice and access” notification mailed to shareholders of the Corporation, UPC has opted to deliver its Meeting materials to shareholders by posting them on its website ([www.uraniumparticipation.com](http://www.uraniumparticipation.com)). The use of this alternative means of delivery is more environmentally friendly and more economical as it reduces the Corporation’s paper and printing use and thus reduces the Corporation’s printing and mailing costs. The Meeting materials will be available on the Corporation’s website on May 24, 2017 and will remain on the website for one full year. The Meeting materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) on May 24, 2017.

Shareholders who wish to receive paper copies of the Meeting materials may request copies by calling 1-888-689-7842 or by sending an email to [info@uraniumparticipation.com](mailto:info@uraniumparticipation.com). For shareholders who wish to receive paper copies of the Circular in advance of the voting deadline, requests must be received no later than June 21, 2017.

If you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Canada, M5J 2Y1 so as to arrive no later than **9:30 a.m. (Eastern Time) on June 27, 2017.**

BY ORDER OF THE BOARD OF DIRECTORS

/s/ “*David D. Cates*”

David D. Cates  
President and Chief Executive Officer

Toronto, Canada  
May 15, 2017



**MANAGEMENT PROXY CIRCULAR**  
(all information as at May 15, 2017 unless otherwise noted)

**PERSONS MAKING THE SOLICITATION**

This Management Proxy Circular (the “**Circular**”) is furnished to you in connection with the solicitation of proxies being made by the management of Uranium Participation Corporation (“**UPC**” or the “**Corporation**”) for use at the Annual and Special Meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares in the capital of the Corporation (the “**Common Shares**”) to be held at **9:30 a.m.** (Eastern Time) on **Thursday, June 29, 2017** at the place and for the purposes set forth in the accompanying Notice of Meeting. While the Corporation expects that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors and officers of the Corporation at a nominal cost.

All costs of this solicitation will be borne by the Corporation.

**APPOINTMENT OF PROXIES**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Corporation. **AS A SHAREHOLDER YOU HAVE THE RIGHT TO APPOINT SOME OTHER PERSON OR CORPORATION (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY, EITHER BY INSERTING SUCH PERSON’S OR CORPORATION’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** No proxy, including the Proxy, will be valid for use at the Meeting, or any adjournment thereof, unless it is completed, dated and signed and delivered to Computershare Investor Services Inc. (“**Computershare**”), Toronto Office, Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 by **9:30 a.m.** (Eastern Time) on **June 27, 2017**. For general inquiries, Shareholders may contact Computershare as follows by telephone at 1-800-564-6253 or by e-mail at [service@computershare.com](mailto:service@computershare.com).

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy or voting instruction form in accordance with the instructions provided by your broker or other intermediary.

**ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES**

These Shareholder materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder and UPC or its agent has sent these materials directly to you, then your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

**The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold Common Shares in their own name, referred to in this Circular as “**non-registered holders**”, should note that only Proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. However, in many cases, Common Shares beneficially owned by a non-registered holder are either:

- (a) in the name of an intermediary that the non-registered holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository, such as CDS Clearing and Depository Services Inc. (“**CDS**”), of which the intermediary is a participant.

In accordance with Canadian securities laws, UPC has distributed copies of the Notice of Meeting, this Circular and the Proxy (collectively, the “**meeting materials**”) to CDS and intermediaries for onward distribution to those non-registered holders to whom UPC has not sent the meeting materials directly.

In such cases, intermediaries are required to forward meeting materials to non-registered holders, unless a non-registered holder has waived the right to receive them. Very often, intermediaries will use a service corporation (such as Broadridge Financial Solutions, Inc.) to forward the meeting materials to non-registered holders. UPC does not intend to pay for delivery of the meeting materials to the “objecting beneficial holders” (“**OBOs**” as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*), and as a result, the OBOs will not receive the meeting materials unless their intermediary assumes the cost of delivery.

Non-registered holders who have not waived the right to receive meeting materials will receive either a voting instruction form or, less frequently, a Proxy. The purpose of these forms is to permit non-registered holders to direct the voting of the Common Shares that they beneficially own. Non-registered holders should follow the procedures set out below, depending on which type of form they receive.

- A. Voting Instruction Form. In most cases, a non-registered holder will receive, as part of the meeting materials, a voting instruction form. If the non-registered holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the non-registered holder’s behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a non-registered holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the non-registered holder’s behalf), the non-registered holder must complete, sign and return the voting instruction form in accordance with the directions provided, and a Proxy giving the right to attend and vote will be forwarded to the non-registered holder.

Or

- B. Form of Proxy. Less frequently, a non-registered holder will receive, as part of the meeting materials, a Proxy that has already been signed by the intermediary (typically by facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the non-registered holder, but which is otherwise uncompleted. If the non-

registered holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the non-registered holder's behalf), the non-registered holder must complete the Proxy and deposit it with Computershare as described above. If a non-registered holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the non-registered holder's behalf), the non-registered holder must strike out the names of the persons named in the Proxy and insert the non-registered holder's (or such other person's) name in the blank space provided.

***Non-registered holders should follow the instruction on the forms that they receive and contact their intermediaries promptly if they need assistance.***

### **REVOCATION OF PROXIES**

A registered Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivering it either to the registered office of the Corporation, at 1100 - 40 University Avenue, Toronto, Ontario, Canada, M5J 1T1, at any time up to and including 9:30 a.m. (Eastern Time) on the last business day preceding the day of the Meeting or to the Chair of the Meeting on the day of the Meeting or any adjournment of the Meeting. **Only registered Shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **EXERCISE OF DISCRETION**

On any ballot that may be called for at the Meeting, the Common Shares represented by a properly executed Proxy given in favour of the persons designated by management of the Corporation in the enclosed Proxy will be voted or withheld from voting in accordance with the instructions given on the Proxy.

Where Shareholders have properly executed Proxies in favour of the management nominees named in the enclosed form of Proxy and have not specified in the form of Proxy the manner in which the named management nominees are required to vote the Common Shares represented thereby, such Common Shares will be voted in favour of the passing of the matters set forth in the Notice of Meeting.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed Proxy holders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, the management of the Corporation knows of no such amendment, variation or other matter that may be presented to the Meeting.

## ELECTRONIC DELIVERY OF DOCUMENTS

Every year, as required by laws governing public companies, the Corporation delivers documentation to Shareholders. In order to make this process more convenient, Shareholders may choose to be notified by email when the Corporation's documentation, including the meeting materials, is posted on the Corporation's website ([www.uraniumparticipation.com](http://www.uraniumparticipation.com)) and, accordingly, such documentation will not be sent in paper form by mail other than as required by applicable laws.

Delivery in an electronic format, rather than paper, reduces costs to the Corporation and benefits the environment. Shareholders who do not consent to receive documentation through email notification will continue to receive such documentation by mail or otherwise, in accordance with securities laws. By consenting to electronic delivery, Shareholders: (i) agree to receive all documents to which they are entitled electronically, rather than by mail; and (ii) understand that access to the Internet is required to receive a document electronically and certain system requirements must be installed (currently Adobe Acrobat Reader to view Adobe's portable document format ("PDF")). Such documents may include the financial statements and management's discussion and analysis ("MD&A"), the annual report (including audited annual consolidated financial statements and MD&A), the annual information form, the notice of annual and/or special meeting and related management information circular and materials, and other corporate information about the Corporation.

At any time, UPC may elect to not send a document electronically, or a document may not be available electronically. In either case, a paper copy will be mailed to Shareholders.

Registered Shareholders can consent to electronic delivery by completing and returning the consent included with the form of Proxy. Non-registered Shareholders can consent to electronic delivery by completing and returning the appropriate form received from the applicable intermediary. The Corporation will notify Shareholders using the email address provided by the Shareholder on the form of Proxy when the documents that the Shareholder is entitled to receive are posted on the Corporation's website, with a link to the specific pages of the website containing the PDF document. Shareholders are not required to consent to electronic delivery.

## NOTICE AND ACCESS

Public companies are permitted to advise their shareholders of the availability on an easily accessible website of all proxy-related materials to be delivered to shareholders, rather than the Corporation being required to mail physical copies of the materials.

The Corporation has decided to deliver its meeting materials to Shareholders by posting them on its website at [www.uraniumparticipation.com](http://www.uraniumparticipation.com). The meeting materials will be available on the Corporation's website on May 24, 2017 and will remain on the website for one full year. The Circular will also be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com) on May 24, 2017.

The Corporation has decided to mail paper copies of the Circular to those registered and non-registered Shareholders who had previously elected to receive paper copies of the Corporation's meeting materials. All other Shareholders will

Shareholders may request copies of the meeting materials by mail at no cost until May 24, 2018 by email to [info@uraniumparticipation.com](mailto:info@uraniumparticipation.com) or by calling 1-888-689-7842. For Shareholders who wish to receive copies of the Circular in advance of the voting deadline, requests must be received **no later than June 21, 2017.**

receive a “notice and access” notification which will contain information on how to obtain electronic and paper copies of the Circular in advance of the Meeting and for a full year following the Meeting.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors. For the purpose of this paragraph, “Person” shall include each person: (a) who has been a director or executive officer of the Corporation at any time since the commencement of the Corporation’s last financial year; (b) who is a proposed nominee for election as a director of the Corporation; or (c) who is an associate or affiliate of a person included in subparagraph (a) or (b).

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Common Shares are the only shares issued by the Corporation. As at the date hereof, the Corporation has issued and outstanding 120,848,713 fully paid and non-assessable Common Shares without par value, each Common Share carrying the right to one vote.

The record date for the determination of the Shareholders entitled to receive notice of the Meeting is at the close of business on May 12, 2017 (the “**Record Date**”). In accordance with the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Corporation will prepare a list of holders of Common Shares on such Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his or her name on the list at the Meeting except to the extent that (a) the holder has transferred any of his or her Common Shares after the Record Date, and (b) the transferee of such Common Shares produces properly endorsed share certificates or otherwise establishes that he or she owns such Common Shares and demands, not later than ten days before the Meeting, that his or her name be included in the list before the Meeting, in which case the transferee is entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the Record Date, the only person or company who beneficially owns or exercise control or direction over, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, is as follows:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Outstanding Common Shares</b>
Wellington Management Company, LLP	15,176,395 <sup>(1)</sup>	12.56%

**Note:**

(1) This number was obtained from an Alternative Monthly Report filed on behalf of Wellington Management Company, LLP on June 10, 2016 and has not been verified by the Corporation.

## PARTICULARS OF MATTERS TO BE ACTED ON

To the knowledge of the Corporation, the only matters to be dealt with at the Meeting are:

- (a) to receive the Corporation's consolidated financial statements for the year ended February 28, 2017, along with the auditor's report on the statements;
- (b) to elect directors to the board of directors (the "**Board**") for the ensuing year;
- (c) to reappoint the auditor for the upcoming year and to authorize the directors to fix the remuneration of the auditor;
- (d) to consider and, if deemed appropriate, to pass, with or without variation, a special resolution approving the reduction in the stated capital of the Common Shares by \$641,243,000, or such lesser amount as may be approved by the Board and in respect of which no amount is to be distributed to holders of issued shares of the Corporation; and
- (e) to transact such other business as may properly come before the Meeting.

If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

## ELECTION OF DIRECTORS

The Corporation's articles authorize a minimum of one (1) and a maximum of ten (10) directors. During the last fiscal year, the Board was composed of seven (7) directors. In accordance with a resolution passed by the Board on April 6, 2017, the number of directors to be elected at the Meeting is six (6). It is proposed that all of the current directors be re-elected at the Meeting with the exception of Richard McCoy who has decided not to stand for re-election and who will retire as Chairman of the Board immediately following the Meeting.

The persons named in the Proxy intend to vote for the re-election of the following directors:

Paul J. Bennett	Garth MacRae
Thomas Hayslett	Ganpat Mani
Jeff Kennedy	Dorothy Sanford

The term of office of each of the present directors expires at the Meeting. Each of the nominated directors is eligible to serve as a director and has expressed his or her willingness to do so. Directors who are elected will serve until the end of the next annual meeting of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or with the provisions of the OBCA.

**Unless otherwise instructed, Proxies and voting instructions given pursuant to this solicitation by UPC's management will be voted FOR the election of the proposed nominees.** If any proposed nominee is unable to serve as a director or withdraws his or her name, the named proxyholders reserve the right to nominate and vote for another individual in their discretion.

UPC's Board recognizes that the quality of its directors is an important factor in the overall success of the Corporation. UPC is committed to ensuring that its Board is composed of members who

have the competencies, capabilities and diversity required to understand UPC's business, along with the integrity and motivation required to properly discharge their fiduciary duties in the long term best interests of the Corporation and all of its Shareholders.

The Board adopted a Diversity Policy on January 13, 2015 which includes provisions relating to the identification and nomination of women to the Board. See "UPC's Corporate Governance Practices – Diversity on the Board – Female Representation on the Board and in Management" on page 16 for a summary.

When considering the Board as a whole and assessing directors' candidacy for the Board, the Corporate Governance and Nominating Committee follows its established guidelines for the Board's composition, including its Diversity Policy and its "*Guidelines for the Composition of the Board*", and seeks directors who have some or all of the following attributes:

- Financial accreditation and/or financial literacy
- Sound business experience and expertise
- Corporate governance experience
- Compensation literacy
- Uranium industry and market experience and knowledge
- Corporate finance and corporate development experience
- Respected by the financial and business communities
- Candidacy consistent with the Diversity Policy and the targets set thereunder
- Strong board skills, such as:
  - Integrity
  - Networking abilities
  - Interpersonal skills
  - Ability to think strategically and act independently
  - Independent, as such term is defined by the Canadian Securities Administrators

### **Advance Notice Requirements**

The By-Law No. 1, as amended, ("**By-Law No. 1**") contains advance notice and nominee information requirements (the "**Advance Notice Requirements**") for nominations of directors prior to any annual or special meeting where directors are to be elected. The Advance Notice Requirements are important for the Corporation and for Shareholders for a number of reasons:

- The Advance Notice Requirements provide the Corporation with adequate prior notice of director nominations.
- The Advance Notice Requirements ensure the Corporation has sufficient information about nominees. This way, the Corporation will be in a better position to evaluate a proposed nominee's qualifications and suitability to serve as a director of the Corporation.
- The Advance Notice Requirements facilitate an orderly and efficient meeting process.

The Corporation did not receive notice of any director nominations in connection with the Meeting within the time periods prescribed by the By-Law No. 1. Accordingly, at the Meeting the only persons eligible to be nominated for election to the Board are the above nominees.

## Director Share Ownership Requirement

The Board has adopted share ownership requirements for its members, as amended January 14, 2016, which requires directors to own Common Shares with a cost of acquisition equal (in Canadian dollars) to two times the value of their annual director retainers (regardless of the currency). Directors must comply with this requirement by the later of: (1) the Corporation's next annual meeting of shareholders at which directors are to be elected; (2) one year from the date of their election to the Board; and (3) one year from the date the Common Shares were made eligible to be deposited through DTC in the United States (the "**Share Ownership Requirement**").

## Profiles of the Nominated Directors

The table below sets out information about each nominated director as at the date hereof, including their background and experience, main areas of expertise and other public company boards of which they are members. In addition, the table discloses the number of Common Shares each nominee owns or over which such nominee exercises control or direction (as provided by each nominated director) and such nominee's compliance with the Share Ownership Requirement.

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**Paul J. Bennett**  
Alberta, Canada  
Common Shares: 11,790

Mr. Bennett became a director in June 2005. He currently runs a private resource consulting business (Energus Resources). Mr. Bennett has held executive and senior management positions with Petrofrontier Corp, Rodinia Oil Corp, ExxonMobil Canada, Sable Offshore Energy Project and Mobil Oil Canada (MOCAN). He has also served as a director of the Maritimes and Northeast Pipeline and was formerly on the Board of Directors of Kerr Mines Inc. (TSX: Au). Mr. Bennett has over 42 years of domestic and international experience in geology, mining and oil/gas exploration, development and production. Mr. Bennett graduated from the University of Toronto in 1972 with a HBSoc. in Geology and again in 1974 with a MSc. in Structural Geology. He is a member of the CSPG and AAPG, and is a retired Professional Geologist (P. Geol.) in the Province of Alberta (APEGGA) and has lived in Canada, Australia, the USA and the UK.

**Areas of Expertise:** Finance, Mining and Exploration, Corporate Governance, Compensation

**UPC Board Details:**

- Director since June 2005
  - Independent
  - Chair of the Compensation Committee and member of the Corporate Governance and Nominating Committee
  - Share Ownership Requirement: Complies
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**Thomas Hayslett**  
Tennessee,  
United States  
Common Shares: 10,050

Mr. Hayslett retired as an independent consultant in the uranium industry at the end of 2016. Mr. Hayslett has over 40 years of experience dealing with various nuclear fuel issues and market matters, having started his career at the Tennessee Valley Authority (“TVA”) in 1972 as a nuclear engineer. From 1972 through 1988, Mr. Hayslett held various positions of increasing responsibility in both the nuclear fuel engineering and nuclear fuel supply organizations at TVA. From 1988 until retiring from TVA in 2004, he served as Manager, Nuclear Fuel Supply. From 2004 through 2008, Mr. Hayslett was a Senior Consultant with The Ux Consulting Company (“UxC”), and from 2008 through 2016, he served as an independent consultant to UxC or other clients. Mr. Hayslett graduated from Mississippi State University with a B.S. degree in Nuclear Engineering in 1971 and received a M.S. degree in Nuclear Engineering from the same university in 1976.

**Areas of Expertise:** Uranium industry and market experience and knowledge, Business

**UPC Board Details:**

- Director since February 2014
- Independent
- Member of the Corporate Governance and Nominating Committee
- Share Ownership Requirement: Complies

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**Jeff Kennedy**  
Ontario, Canada  
Common Shares: 11,000

Mr. Kennedy is the Managing Director of Equity Capital Markets and Operations of Cormark Securities Inc. (“Cormark”). Mr. Kennedy also held the position of Chief Financial Officer of Cormark until 2015. Previously, Mr. Kennedy was the Chief Financial Officer of Loewen Ondaatje McCutcheon Limited until 1998. Mr. Kennedy was Chairman of the Capital Formula Subcommittee of the Investment Dealers Association of Canada (now the Investment Industry Regulatory Organization of Canada) (“IIROC”) from 1999 until 2003 and continues to be a member of the Executive Committee of the Financial Administrators Section at IIROC. Mr. Kennedy has been in the investment business since 1987. Mr. Kennedy holds a B.Com. degree from McMaster University and has been a Chartered Professional Accountant since 1983.

**Areas of Expertise:** Financing, M&A, Accounting, Corporate Governance, Compensation

**UPC Board Details:**

- Director since March 2005
- Independent
- Chair of the Corporate Governance and Nominating Committee
- Share Ownership Requirement: Complies

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**Garth MacRae**  
Ontario, Canada  
Common Shares: 10,000

Mr. MacRae is engaged as a Corporate Director. He became a director of the Corporation in 2005 and is Chair of the Audit Committee. Mr. MacRae brings to the Board over 40 years of experience in the resource industry, as well as over 16 years of public accounting experience. He has held executive positions with Hudson Bay Mining, Brinco Limited and Denison Mines Limited and served as Chairman of Dundee Precious Metals Inc. from 1995 to 2002 and Vice Chairman of Dundee Corporation from 1993 until 2004. Mr. MacRae holds a Chartered Professional Accountant designation.

Mr. MacRae is also a director of Dundee Corporation (TSX: DC.A), Dundee Energy Limited (TSX: DEN) and GeneNews Limited (TSX: GEN).

**Areas of Expertise:** Financing, M&A, Accounting, Corporate Governance, Compensation

**UPC Board Details:**

- Director since April 2005
- Independent
- Chair of the Audit Committee and Member of the Compensation Committee
- Share Ownership Requirement: Complies

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**Ganpat Mani**  
Colorado,  
United States  
Common Shares: 12,487

Mr. Ganpat Mani is engaged as a Corporate Director. He retired in 2013 from his position as the Chief Executive Officer and President at ConverDyn, a position he held since 2009. During his term as CEO of ConverDyn, he also served as a Director at the Nuclear Energy Institute and was a member of the U.S. Civil Nuclear Trade Advisory Committee. Prior to that, Mr. Mani was with Paladin Energy Ltd, an Australian uranium producer supporting their global strategic initiatives. Other previous positions included Member, Board of Directors of Uranium International Corporation (now Tresoro Mining Corp.), a junior mining company, and Principal of Ganman Consulting LLC, which provided business strategy, market development and outsourcing support for nuclear and non-nuclear companies. Mr. Mani retired from Honeywell International Inc. in June 2007 after a 34 year-career spanning a variety of functional areas and product lines. Mr. Mani holds an M.B.A. from Rutgers University, New Jersey and a Bachelor of Technology Degree in Metallurgical Engineering from Loughborough University, UK.

Mr. Mani is also a director of Uranium Energy Corp. (NYSE MKT: UEC).

**Areas of Expertise:** Uranium industry and market experience and knowledge, Financing, M&A, Business, Accounting, Corporate Governance, Compensation

**UPC Board Details:**

- Director since July 2014
- Independent
- Member of the Audit Committee
- Share Ownership Requirement: Complies

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**Dorothy Sanford**  
Ontario, Canada  
Common Shares: 12,700

Ms. Sanford is currently the President of the MFDA Investor Protection Corporation, the compensation fund for Members of the Mutual Fund Dealers Association of Canada. Ms. Sanford has a long career providing regulatory advisory services to the financial services industry and market participants as an independent consultant and as a Partner at PricewaterhouseCoopers LLP for more than 10 years. Ms. Sanford was previously a senior regulator at the Ontario Securities Commission. Ms. Sanford holds an Honours Bachelor of Commerce from Queen's University, an M.B.A. degree from the University of Toronto and is an elected Fellow of the Institute of Chartered Professional Accountants of Ontario.

**Areas of Expertise:** Regulatory, Business, Accounting, Corporate Governance

**UPC Board Details:**

- Director since June 2016
- Independent
- Member of the Audit Committee
- Share Ownership Requirement: Complies

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No proposed director:

- (a) is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that;
- i. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;

- ii. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Majority Voting Policy**

The Board has adopted a majority voting policy, pursuant to which, if a nominee for director receives a greater number of votes “withheld” from his or her election than votes “for” his or her election from the Common Shares voted at the Meeting, he or she is to promptly tender his or her resignation to take effect upon acceptance by the Board. The Corporate Governance and Nominating Committee will expeditiously consider the director’s offer to resign and make a recommendation to the Board whether to accept that offer. Within 90 days of the Meeting, the Board must determine whether or not to accept the resignation, and the Board must accept the resignation absent exceptional circumstances.

Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The majority voting policy applies only in circumstances involving an uncontested election of directors, meaning an election in which the number of nominees is equal to the number of directors to be elected.

### **REAPPOINTMENT AND REMUNERATION OF THE AUDITOR**

The Common Shares represented by the Proxies solicited in respect of the Meeting or any ballot that may be called for, unless authority to do so is withheld, will be voted FOR the appointment of the firm of PricewaterhouseCoopers LLP (“**PwC**”), Chartered Professional Accountants, as the auditor of the Corporation until the next annual meeting, and to authorize the directors to fix the remuneration of the auditor.

### **APPROVAL OF REDUCTION OF STATED CAPITAL**

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution to approve a reduction in the stated capital of the Common Shares (the “**Reduction of Stated Capital Resolution**”) in respect of which no amount is to be distributed to holders of issued shares of the Corporation.

## **Reasons for the Reduction of Stated Capital**

Under the OBCA, a corporation is prohibited from taking certain actions, including declaring or paying dividends on its shares, purchasing any of its outstanding shares and certain other corporate actions, if, among other things, there are reasonable grounds for believing that the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares. A corporation may also be restricted in the manner in which it may complete certain business combinations.

The Common Shares currently have a stated capital of \$841,243,000. The current stated capital amount of the Common Shares currently precludes the Corporation from carrying out certain actions involving the capital of the Corporation, including declaring or paying dividends on its Common Shares, purchasing any of its outstanding Common Shares and certain other corporate actions. It may also restrict the options available to the Corporation in structuring a potential business combination. Assuming the Reduction of Stated Capital Resolution is approved by Shareholders and implemented, in full, the stated capital of the Common Shares will be \$200,000,000.

In order to provide the Board flexibility in managing the Corporation's capital structure going forward, the Board has decided to submit a special resolution to Shareholders for approval to reduce the stated capital of the Common Shares in order to address the limitations under the OBCA, which result from the Corporation's current stated capital amount of the Common Shares. The proposed reduction in stated capital would have no impact on the day-to-day operations of the Corporation and will not, on its own, alter the financial condition of the Corporation. The Corporation does not currently intend to declare or pay dividends on its Common Shares and dividends for any future period will be declared at the discretion of the Board and no assumption can be made that dividends will be declared or paid at all.

## **Limitations on Reduction of Stated Capital under the OBCA**

Generally, the OBCA provides that a corporation may not reduce its stated capital if there are reasonable grounds for believing that, after giving effect to the reduction in the stated capital, the corporation will be unable to pay its liabilities as they become due or that the realizable value of the corporation's assets will be less than the aggregate amount of its liabilities. The Corporation does not have reasonable grounds to believe that after giving effect to such reduction in stated capital the Corporation will be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets will thereby be less than the aggregate amount of its liabilities.

## **Certain Canadian Federal Income Tax Considerations**

The following is a summary of the principal Canadian federal income tax considerations related to the proposed reduction of stated capital that are generally applicable to holders of Common Shares. This summary is based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), the regulations to the Tax Act, all amendments to the Tax Act proposed by or on behalf of the Minister of Finance prior to the date hereof and the current administrative practices and assessing policies published by the Canada Revenue Agency. This summary assumes that any proposed amendments to the Tax Act will be enacted in the form currently proposed.

**This summary is not exhaustive of all Canadian federal income tax considerations related to the proposed reduction of stated capital, nor does it take into account any provincial or territorial tax laws of Canada or any tax laws of any jurisdiction outside of Canada. This**

**summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any particular Shareholder. Each Shareholder should consult with his, her or its own independent tax advisors with respect to his, her or its particular tax position, as such consequences can vary depending upon the particular circumstances of each Shareholder.**

The proposed reduction of the stated capital of the Common Shares is not expected to result in any immediate Canadian income tax consequences to Shareholders. However, the reduction of the stated capital is expected to result in a reduction of the paid-up capital of the Common Shares for purposes of the Tax Act, and may have future Canadian income tax consequences to a Shareholder in certain circumstances, which may include if the Corporation were to repurchase, under certain limited circumstances, any of its Common Shares or if the Corporation were dissolved. If so required, the Corporation expects that the stated capital could be reinstated in the future, with a special vote of Shareholders, up to the amount of the reduction. Shareholders may wish to consult with their own tax advisors with respect to the proposed stated capital reduction.

### **Reduction of Stated Capital Resolution**

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Reduction of Stated Capital Resolution. To be effective, the Reduction of Stated Capital Resolution must be approved by not less than 66 $\frac{2}{3}$ % of the votes cast by Shareholders present in person, or represented by proxy, at the Meeting.

The Board and management consider that the proposed reduction of the stated capital of the Corporation is in the best interest of the Corporation and its Shareholders and, accordingly, recommend that Shareholders vote **FOR** the approval of the Reduction of Stated Capital Resolution. **Unless otherwise instructed, Proxies and voting instructions given pursuant to this solicitation by UPC's management will be voted FOR the approval of the Reduction of Stated Capital Resolution.**

The text of the Reduction of Stated Capital Resolution to be submitted to Shareholders at the Meeting is set forth below:

“BE IT RESOLVED THAT:

1. the stated capital account maintained in respect of the common shares of the Corporation is hereby reduced by \$641,243,000, or such lesser amount as may be determined by the board of directors of the Corporation and in respect of which no amount is to be distributed to holders of issued shares of the Corporation and the amount of the reduction shall be added to the contributed surplus of the Corporation;
2. notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the board of directors of the Corporation may, in its sole discretion and without further approval of the shareholders of the Corporation, revoke this special resolution at any time prior to effecting the reduction of stated capital and elect not to act on or carry out this special resolution; and
3. any director or officer of the Corporation be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of the Corporation, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person's opinion may be necessary or desirable for the purpose of giving effect to this resolution.”

## UPC'S CORPORATE GOVERNANCE PRACTICES

UPC is a reporting issuer in all of the provinces of Canada. Its Common Shares trade on the Toronto Stock Exchange (TSX: U).

Upon its formation, UPC appointed Denison Mines Inc. (the "**Manager**"), a wholly owned subsidiary of Denison Mines Corp. ("**DMC**"), to manage UPC pursuant to a management services agreement (the "**Management Services Agreement**"). See "Management Contracts".

### The Board of Directors

UPC's Board is currently comprised of seven (7) directors. It is proposed that with the exception of Richard McCoy all of the current directors be re-elected at the Meeting.

In accordance with TSX requirements, each of the six (6) directors proposed by management is to be elected individually at the Meeting to serve until the end of the next annual meeting of Shareholders.

### Independence

The Board is responsible for determining whether or not each director is independent. This assessment is made in accordance with standards of the Canadian Securities Administrators in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and the Governance Guidelines. With the assistance of the Corporate Governance and Nominating Committee, the Board reviews each director's independence annually and upon the appointment or election of a new director. The Board last considered this matter at its meeting on April 6, 2017. The following table sets out the Board's determination and reasoning with respect to each nominee for election at the Meeting:

Name	Independent	Not Independent	Commentary on Independence
Paul J. Bennett	x		
Thomas Hayslett	x		
Jeff Kennedy	x		Mr. Kennedy was determined to be independent under NI 52-110. However, he does not meet the additional independence requirements imposed on members of the Audit Committee due to the fact that Mr. Kennedy is an officer of Cormark, which has provided investment banking or financial advisory services to UPC from time to time.
Garth MacRae	x		
Ganpat Mani	x		
Dorothy Sanford	x		

### The Role of the Board

The Board of UPC is responsible for the direction of the business, affairs and operations of the Corporation and the oversight of the Manager.

The Board has adopted a formal mandate setting out the role and responsibilities of the Board (see Appendix A). In order to delineate the roles and responsibilities of the Chairman of the Board, the Chair of each committee of the Board and the President and Chief Executive Officer (the "**CEO**"), the Board has also adopted written position descriptions for each of these positions.

In discharging its stewardship over the Corporation, the Board has undertaken the following specific duties and responsibilities:

- to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- adoption of a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including the appointment and monitoring of management and the Manager;
- adopting a communications policy for the Corporation; and
- oversight of the integrity of the Corporation's internal control and management information systems and those of its Manager.

Generally, operations in the ordinary course or that are not in the ordinary course and do not exceed material levels of expenditures or commitment on the part of the Corporation have been delegated to management. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of the Corporation generally require prior approval of the Board. As the Board has plenary power, any responsibility which is not delegated to management or a Board committee remains with the Board.

The responsibilities of the Chairman include presiding over Board meetings, assuming principal responsibility for the Board's operation and functioning independent of management and ensuring that Board functions are effectively carried out.

The responsibilities and authorities of the Chair of each committee of the Board are set out in the mandate for each committee and in the Board's mandate. Generally, the Chair of a committee leads and oversees the activities of the committee to ensure that it fulfills its mandate and operates independently of management.

The CEO is appointed by the Board and, subject to the oversight of the Board, is responsible for the management of the Corporation's business, providing leadership and vision, developing and recommending significant corporate strategies and objectives for approval by the Board. In addition to setting out the CEO's responsibilities, the Board's mandate also establishes limits of authority for the CEO.

### **Board Committees**

To assist the Board with its responsibilities, the Board has established three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each committee has a written mandate and reviews its mandate annually. Each of the standing committees has responsibility in its area of expertise for identifying the principal risks in UPC's business and monitoring management's implementation and assessment of appropriate risk management systems.

### **The Audit Committee**

The Audit Committee has four members:

- Garth MacRae (Chair)
- Ganpat Mani
- Dorothy Sanford
- Richard McCoy

Members of the Audit Committee must be independent and financially literate for the purposes of NI 52-110. Mr. MacRae is a Chartered Professional Accountant, who has held the position of Chief Financial Officer at a public company. He has also served on the audit committees of a number of public company boards. Mr. Mani has held a number of director and senior officer positions with public companies. He also has a Master of Business Administration degree from Rutgers University. Ms. Sanford has an Honours Bachelor of Commerce from Queen's University, an M.B.A. degree from the University of Toronto and is an elected Fellow of the Institute of Chartered Professional Accountants of Ontario and has a long career providing regulatory advisory services to the financial services industry and market participants as an independent consultant and as a Partner at PricewaterhouseCoopers LLP for more than 10 years. Finally, Mr. McCoy has a Bachelor of Commerce degree and a Master of Business Administration degree and over 35 years of experience in investment banking. He has also served on the audit committees of other public company boards. As Mr. McCoy has decided not to stand for re-election and will retire from the Board immediately following the Meeting, Mr. McCoy will remain a member of the Audit Committee until the conclusion of the Meeting. At the present time, the Corporation does not intend to fill the vacancy on the Audit Committee resulting from Mr. McCoy's retirement.

The Audit Committee oversees the accounting and financial reporting processes of the Corporation and its subsidiary and all audits and external reviews of the financial statements of UPC, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Corporation and its subsidiary. The Audit Committee reviews, on a continuous basis, any reports prepared by UPC's auditor relating to the Corporation's accounting policies and procedures, as well as internal control procedures and systems. The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same.

All auditing services and non-audit services to be provided to the Corporation by the Corporation's auditor are pre-approved by the Audit Committee, and the Audit Committee reviews the independence of PwC, the Corporation's external auditor. The Audit Committee also oversees the annual audit process, the quarterly review engagements, the Corporation's internal accounting controls, the Code of Ethics and Whistleblower Policy. The Audit Committee recommends to the Board the firm of independent auditor to be nominated for appointment by the Shareholders.

The Audit Committee also oversees the Corporation's internal audit function. The Corporation's senior internal auditor reports directly to the Chair of the Audit Committee on matters related to internal accounting controls.

The Audit Committee met four times since the start of its most recently completed financial year. The Audit Committee met *in camera* without management present at every meeting with the external auditor.

For information required by NI 52-110, please refer to the Corporation's Annual Information Form under the heading "Standing Committees – Audit Committee".

### **The Compensation Committee**

The Compensation Committee has two members:

- Paul Bennett (Chair)
- Garth MacRae

All officers of UPC are provided under the Management Services Agreement by the Manager and UPC does not compensate any executives. The Compensation Committee has been mandated to review the adequacy and form of the compensation of directors and to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.

Members of the Compensation Committee must be independent and have experience and skills relevant to executive compensation. Both Messrs Bennett and MacRae have served as executives and directors for other public companies and each have over 40 years of experience with natural resources companies providing them with relevant experience in determining compensation. Mr. MacRae also holds a Chartered Professional Accountant designation. The Compensation Committee met twice during its most recently completed financial year.

### **The Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee has four members:

- Jeff Kennedy (Chair)
- Paul Bennett
- Thomas Hayslett
- Richard McCoy

Members of the Corporate Governance and Nominating Committee must be independent. As Mr. McCoy has decided not to stand for re-election and will retire from the Board immediately following the Meeting, Mr. McCoy will remain a member of the Corporate Governance and Nominating Committee until the conclusion of the Meeting. At the present time, the Corporation does not intend to fill the vacancy on the Corporate Governance and Nominating Committee resulting from Mr. McCoy's retirement. The Corporate Governance and Nominating Committee will, however, review and consider the changes to the Board's committees and composition in light of Mr. McCoy's retirement.

This committee is responsible for UPC's approach to corporate governance, monitors the regulatory environment and recommends changes to the Corporation's practices when appropriate. The Corporate Governance and Nominating Committee oversees the effective functioning of the Board and the relationship between the Board and management, to ensure that the Board can function independently of management as required. The Corporate Governance and Nominating Committee also identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of Shareholders and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board.

In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well

as whether or not each nominee will devote sufficient time and resources to the Board and whether he or she is independent within the meaning of the Governance Guidelines.

The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the independence of Board members; (iii) the composition of the committees of the Board; (iv) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions; and (v) compliance with and amendments to the Board mandates, policies and guidelines.

The Corporate Governance and Nominating Committee has adopted the annual practice of distributing and reviewing the results of written board effectiveness assessments. The assessments question members of the Board as to their level of satisfaction with the functioning of the Board, its interaction with management and the performance of the standing committees of the Board. The Board members also conduct peer reviews and a self-assessment as to their effectiveness as a Board member. After the assessments are reviewed, the Corporate Governance and Nominating Committee reports to the Board as to the results and make recommendations to the Board to improve UPC's corporate governance practices. This process occurs annually prior to the consideration by the Corporate Governance and Nominating Committee of nominations for Board member elections at the annual meeting of Shareholders each year.

In addition, the Corporate Governance and Nominating Committee reviews the Corporation's disclosure of its corporate governance practices in the Circular each year. The Corporate Governance and Nominating Committee met twice in the last fiscal year.

## **Diversity on the Board**

### **Female Representation on the Board and in Management**

The Board recognizes that diversity enriches the decision making process and is important to the Corporation's good governance. The Board formally adopted a Diversity Policy in January 2015, which clarifies the Corporation's commitment to identifying and considering women for its Board. Along with the adoption of the Diversity Policy last year, the Board also amended the guidelines by which the Corporate Governance and Nominating Committee considers the composition of the Board and evaluates candidates to include a commitment for the Committee to consider qualified female candidates for nomination to the Board to further the Board's goals of achieving gender diversity.

Each year, the Corporate Governance and Nominating Committee is required to measure and report to the Board as to the Company's annual and cumulative progress in achieving targets for representation of women within UPC. In fiscal 2016, as part of its ongoing commitment to diversity, the Corporate Governance and Nominating Committee sought new nominees for the Board to present to Shareholders at the Meeting. As a result of its search, Ms. Sanford was identified as a candidate that would enhance the diversity of, and bring a depth of knowledge and breadth of experience that would strengthen the Board.

The Board has considered and deemed it appropriate to reduce the number of directors on the Board from seven (7) to six (6) members. With the retirement of Mr. McCoy, and assuming Ms. Sanford is re-elected, female representation on the Board, as a percentage of Board members, will increase. UPC will continue to consider gender diversity as a key factor in its nomination process.

The Corporation's Executive Officers are provided to UPC by the Manager, pursuant to the Management Services Agreement. The ultimate decision by the Manager to recommend a candidate for appointment as an Executive Officer is based on merit, experience and the contribution that the candidate can bring to the position. In this regard, the Board has encouraged the Manager to consider women, having the necessary skills, knowledge and experience, when evaluating potential candidates for executive positions in order to further the Corporation's goals of achieving gender diversity. The Corporation currently has three executive officers, none of whom are women. The Corporate Secretary of the Corporation is a woman.

#### Director Term Limits

While the Corporation recognizes that director term limits are a means to create board renewal and that board renewal can be an important factor to aid increased diversity, the Corporation has not instituted director term limits for various reasons, including:

- i. The Board has experienced new membership recently through natural turn-over and succession planning without the imposition of formal term limits. Messrs. Mani and Hayslett and Ms. Sanford have all joined the Board in recent years. Each of these individuals bring new and diverse perspectives to the Board.
- ii. The Corporation believes that, in taking into account the nature and size of the Board and the Corporation, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Corporation.

In lieu of imposing term limits, the Corporation regularly monitors director performance through annual evaluations and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Corporation analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Corporation has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

#### **Director Education**

The Board encourages directors and senior management to participate in appropriate professional and personal development activities, courses and programs.

To advance the Board's understanding of the nuclear industry director education is implemented in the following ways at UPC:

- Updates and Subscriptions Management distributes updates, newsletters and articles on industry and regulatory information to the Board on a regular basis via email. Additionally, the Corporation maintains subscriptions to regular newsletters on topics of interest that are circulated to the Board.
- Management Presentations to the Board and to Committees When appropriate, management prepares and presents relevant information to Board members. For instance, at each regular Board meeting, the CEO provides an industry and market update. Similarly, the Corporation's Corporate Secretary and legal counsel, as applicable, provides directors and officers with summary updates of any developments relating to the duties and responsibilities of directors and officers and to any other corporate governance matters. The Chief Financial Officer ensures that the Audit Committee is apprised of relevant developments and issues.

- Third Party Presentations to the Board  
Periodically, the Board will receive presentations from third parties regarding developments in the industry, market updates or other matters relevant to governance of the Corporation.
- An on-line board portal dedicated exclusively to the Board  
In addition to housing meeting materials, UPC's board portal includes a reference manual, which includes corporate information, industry information, regulatory and governance updates and corporate policies. As a hosted website dedicated to our Board, the portal is current and available to directors wherever they are.

Management also provides new Board members with an orientation session, covering a range of topics from the role of the Board, its committees and directors, to UPC's business and the uranium business generally.

### Fiscal 2017 Attendance Record

The table below shows the number of Board and standing committee meetings each director attended since the beginning of the financial year ended February 28, 2017. At every Board and committee meeting, including those held by teleconference, directors have an opportunity to meet *in camera* without management present.

Name	Board	Audit Committee	Corporate Governance & Nominating Committee	Compensation Committee	Percentage Attendance
Paul J. Bennett	8 of 8		2 of 2	2 of 2	100%
Thomas Hayslett	8 of 8	-	2 of 2	-	100%
Jeff Kennedy	7 of 7 <sup>(1)</sup>	-	2 of 2	-	100%
Garth A. C. MacRae	8 of 8	4 of 4	-	2 of 2	100%
Ganpat Mani	8 of 8	4 of 4	-	-	100%
Richard H. McCoy	8 of 8	4 of 4	1 of 2	-	93%
Dorothy Sanford	6 of 6 <sup>(2)</sup>	2 of 2 <sup>(2)</sup>			100%

**Note:**

- (1) Mr. Kennedy abstained from attending a meeting called to consider the October 2016 bought deal financing of UPC which was led by Cormark Securities Inc.
- (2) Ms. Sanford was appointed to the Board on June 21, 2016. There were two board meetings and two audit committee meetings held in the financial year ended February 28, 2017 prior to her appointment.

### UPC's Code of Ethics & Whistleblower Policy

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. UPC has adopted a written Code of Ethics which applies to directors and officers of the Corporation, and annually each of the Corporation's officers and directors are required to acknowledge that they have read and agree to the Code of Ethics. The Code of Ethics sets out principles and standards for honest and ethical behavior at UPC and covers the following key areas:

- compliance with applicable laws
- conflicts of interest
- insider trading
- quality of disclosure and accountability
- confidentiality and corporate opportunity
- reporting illegal or unethical behavior

The Code of Ethics is made available to everyone on the Corporation's website at [www.uraniumparticipation.com](http://www.uraniumparticipation.com) or on SEDAR under the UPC's profile at [www.sedar.com](http://www.sedar.com).

The Audit Committee periodically discusses relevant matters with management to ensure satisfactory compliance with the code. Directors or officers who have concerns about violations of laws, rules or regulations, or of the Code of Ethics are to report them to the Corporate Secretary or to the Chair of the Audit Committee. Following receipt of any complaints, the Corporate Secretary or Chair of the Audit Committee, as the case may be, will investigate each matter so reported and report to the Audit Committee. The Audit Committee has primary authority and responsibility for monitoring compliance with and enforcing the Code of Ethics, subject to the supervision of the Board.

To supplement the Code of Ethics, the Audit Committee has established a policy and procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (the "**Whistleblowing Policy**") to encourage officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The Whistleblowing Policy provides for the confidential reporting of any issues to the Chair of the Audit Committee and the procedure for handling matters reported thereunder. The Whistleblowing Policy is also available on the Corporation's website, and is distributed annually to all directors and officers of UPC.

### **Shareholder Communications**

The Board has put structures in place to ensure effective communication between the Corporation, its Shareholders and the public. UPC has established an investor relations procedure whereby most Shareholder concerns are dealt with on an individual basis, usually by providing requested information. Significant Shareholder concerns are brought to the attention of management or the Board. Shareholders are informed of developments in the Corporation by the issuance of timely press releases which are concurrently posted to UPC's website and filed on SEDAR.

The Board monitors the policies and procedures that are in place to provide for effective communication by the Corporation with its Shareholders and with the public generally, including effective means to enable Shareholders to communicate with senior management and the Board. The Board also monitors the policies and procedures that are in place to ensure a strong, cohesive, sustained and positive image of the Corporation with Shareholders, governments and the public generally.

Shareholders or other interested parties may communicate directly with the Chief Executive Officer, Chief Financial Officer, Chairman of the Board and any of the directors by writing to them at the Corporation's office below. Envelopes should be marked "Confidential" and to the attention of the appropriate party.

Uranium Participation Corporation  
1100 - 40 University Avenue  
Toronto, ON M5J 1T1

## STATEMENT OF EXECUTIVE COMPENSATION

### Remuneration of Officers

Under the terms of its Management Services Agreement, UPC has engaged the Manager to provide administration and management services to the Corporation, which services include the provision of officers for the Corporation. The Manager currently provides four officers to the Corporation, being the President and Chief Executive Officer, the Chief Financial Officer, the Vice-President Commercial and the Corporate Secretary, as well as any other position necessary to carry out the Manager's responsibilities for the administration, financial reporting, investor relations and marketing activities. UPC has no employees. See "Management Contracts". A copy of the Management Services Agreement has been filed on the SEDAR website and is available at [www.sedar.com](http://www.sedar.com) or at [www.uraniumparticipation.com](http://www.uraniumparticipation.com).

The Management Services Agreement provides that any directors, officers or employees of the Manager who are also officers of UPC shall be paid by the Manager, and they shall not receive any remuneration from UPC. To the extent the named executive officers of the Corporation are also named executive officers of DMC, the parent company of the Manager, during a particular financial year, the compensation paid to these individuals by the Manager or by DMC can be found disclosed in DMC's Compensation Discussion and Analysis in DMC's management information circular which has been filed on the SEDAR website and is available at [www.sedar.com](http://www.sedar.com). In particular, compensation disclosure relating to Mr. David Cates, the Corporation's President and Chief Executive Officer, and Mr. Mac McDonald, the Corporation's Chief Financial Officer, is contained in DMC's management information circular.

The Corporation's other executive officer for the year ended February 28, 2017, Mr. Scott Melbye, Vice-President Commercial, was not a named executive officer for DMC's past fiscal year and, as a result, his compensation is not disclosed in DMC's annual management information circular. Mr. Melbye was paid \$222,000 for consulting services rendered to DMC during the fiscal year ended February 28, 2017. Mr. Melbye did not receive any other form of compensation.

### Compensation of Directors

In the financial year ended February 28, 2017, UPC's directors received cash compensation, including an annual retainer and an attendance fee for each meeting held. The quantum of this compensation was set in 2005.

All directors receive a retainer of \$25,000 per year, plus \$1,000 per attended meeting of the Board and committees of the Board. Directors based in the United States are paid their retainers and meeting fees in U.S. dollars. The Corporation also reimburses the members of the Board for out-of-pocket expenses for attending such meetings. The Corporation does not have a stock option plan or pension plan and does not pay non-equity incentive payments.

When considering the appropriate level of compensation for the Corporation's directors, the Board considered a variety of factors. The Board recognized the importance of compensation in attracting and retaining desirable board candidates. In this regard, the Board considered a number of factors including the directors' time commitments and the risks and responsibilities that the directors of UPC assume in keeping with the roles of the Board and the standing committees. The Compensation Committee also previously engaged consultants to review the compensation paid to its directors.

The Compensation Committee has assessed the Corporation's director compensation and has concluded that UPC's compensation policies and practices are reasonable and effective and do not

create risks that are reasonably likely to have a material adverse effect on the Corporation. Because directors are compensated in a fixed manner, through a retainer and meeting fees, the Compensation Committee determined that this form of compensation was unlikely to promote unnecessary risk-taking among its directors.

The Corporation has not adopted policies with respect to whether directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director.

During the fiscal year ended February 28, 2017, the following aggregate amounts were paid to each director:

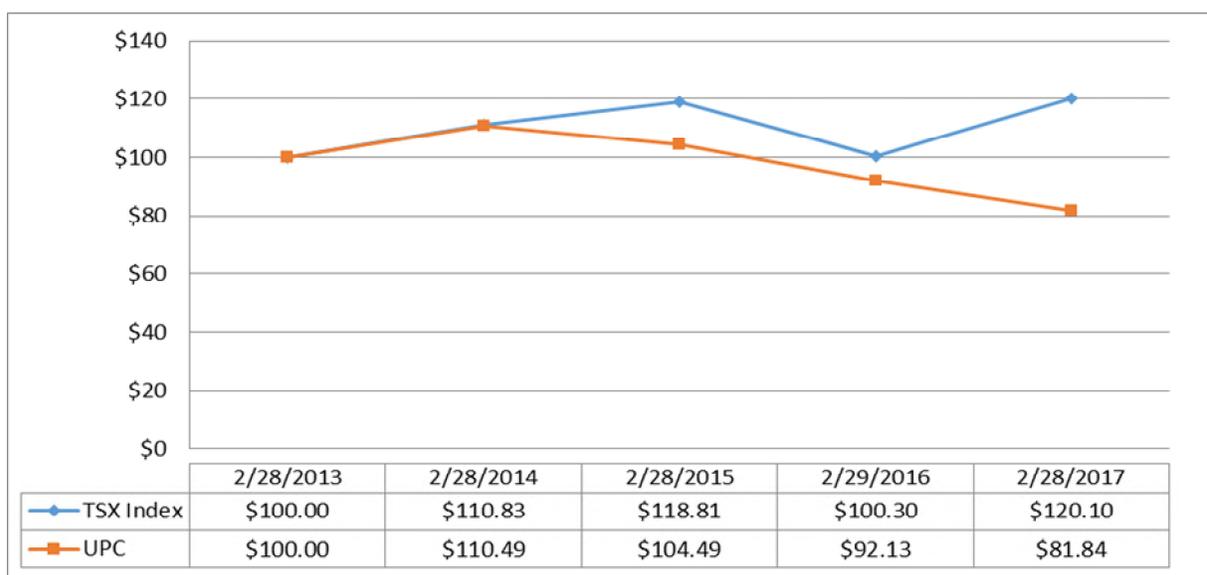
Name	Fees Earned (\$)	All Other Compensation	Total (\$)
Paul J. Bennett	\$38,000	Nil	\$38,000
Thomas Hayslett <sup>(1)</sup>	\$47,000	Nil	\$47,000
Jeff Kennedy	\$35,000	Nil	\$35,000
Garth A.C. MacRae	\$39,000	Nil	\$39,000
Ganpat Mani <sup>(1)</sup>	\$49,000	Nil	\$49,000
Richard H. McCoy	\$39,000	Nil	\$39,000
Dorothy Sanford <sup>(2)</sup>	\$26,000	Nil	\$26,000

**Notes:**

- (1) Amounts paid to Messrs. Hayslett and Mani were paid in U.S. dollars and translated into CAD dollars at month-end closing foreign exchange rates.
- (2) Ms. Sanford was appointed to the Board on June 21, 2016. There were two board meetings and two audit committee meetings held in the financial year ended February 28, 2017 prior to her appointment and for which Ms. Sanford did not receive fees.

**Performance Graph**

The following graph compares the cumulative total return for \$100 invested in Common Shares as traded on the TSX for the period from February 28, 2013 to February 28, 2017, against the total return of the S&P/TSX Composite Total Return Index for the same period. The Shares trade on the TSX under the symbol "U".



The cumulative total shareholder return for the Common Shares has been less than the cumulative total shareholder return on the S&P/TSX Composite Index since February 28, 2013, which is consistent with returns of natural resources companies in the current market conditions.

All officers of the Corporation are compensated by the Manager and supplied to UPC pursuant to the Management Services Agreement, which has a three year term. Part of the Manager's compensation depends on the net asset value of the Common Shares.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$10,000,000, subject to the following deductibles: (a) \$50,000 per indemnifiable loss; and (b) \$50,000 for a loss due to a claim under Canadian securities laws. There is no deductible for a non-indemnifiable loss. The premium paid by the Corporation for this coverage is \$38,000 for the period from April 1, 2017 to April 1, 2018. No amounts were paid by individual directors and officers for this coverage.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of the Corporation; (c) any person or corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (d) the Corporation itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Common Shares.

### **MANAGEMENT CONTRACTS**

The Corporation is a party to the Management Services Agreement, pursuant to which the Manager is appointed to manage the business and affairs of the Corporation as directed by the UPC Board. The Manager does not have any ownership interest in UPC, and the two companies do not have any directors in common. The Manager is required to act in accordance with reasonable and prudent business practices and, with the approval of the Board and at its own cost, may delegate, any of its duties or obligations under the Management Services Agreement to any third party.

All purchases and sales of uranium are directed by the Board and are made by the Manager on behalf of UPC in accordance with the Management Services Agreement. The Manager is obligated to use commercially reasonable efforts to purchase and sell uranium at the best prices available to it over a prudent period of time. When the Board directs the Manager to purchase or sell uranium, the Manager may put out a tender for an offer to purchase or sell uranium or negotiate directly with potential suppliers (off-market transactions) for the purchase or sale of uranium. All purchases and sales of uranium are and will continue to be completed by the Manager in accordance with standard industry practices for and on behalf of UPC.

When the Board directs the Manager to lend uranium, the terms of the loan are reviewed, including the quantity, interest rate, duration, security and covenants, and must be approved by the Board prior to finalizing. Any lending arrangements for uranium will be completed by the Manager in accordance with standard industry practices for and on behalf of UPC.

The Manager is required to arrange, on behalf of the Corporation, storage of the uranium at licensed facilities and insurance coverage. It is also responsible for the preparation of draft regulatory filing materials and reports for Shareholders and to furnish office facilities.

The following table sets out the names and the countries and provinces of residence of each of the informed persons of the Manager and their respective positions and offices held with the Manager as of the date hereof.

<b>Name and Place of Residence</b>	<b>Position with UPC</b>	<b>Positions with DMC and the Manager</b>
David Cates Ontario, Canada	President and Chief Executive Officer	President and Chief Executive Officer of DMC and President and Chief Executive Officer and Director of the Manager
Gabriel (Mac) McDonald Ontario, Canada	Chief Financial Officer	Vice President, Finance and Chief Financial Officer of DMC and Chief Financial Officer and Director of the Manager
Scott Melbye Colorado, United States	Vice President, Commercial	Consultant to the Manager
Amanda Willett British Columbia, Canada	Corporate Secretary	Corporate Counsel and Corporate Secretary of DMC and Corporate Secretary of the Manager

The Management Services Agreement provides that any directors, officers or employees of the Manager who are also officers of UPC shall be paid by the Manager for serving in such capacity, and they shall not receive any additional remuneration from UPC. The Management Services Agreement does not provide for any allocation of the compensation paid to the Manager under the Management Services Agreement to any of the individuals who serve as officers of UPC, and UPC is not aware of any such allocation. The officers are required to provide the amount of time to UPC's business necessary to effectively operate the business. The amount of time will vary in each year depending on the initiatives of UPC in the particular year. For example, management time will be greater in a year in which UPC undertakes a financing or acquisition transaction.

For the fiscal year ended February 28, 2017, UPC paid the Manager \$1,638,000 in management fees and \$173,000 on account of commissions on uranium sales and purchases. Fees until March 31, 2016 were paid in accordance with the terms of the previous management services agreement with the Manager dated April 1, 2013, as follows: (a) a commission of 1.5% of the gross value of any purchases or sales of uranium completed at the request of the Board; (b) a minimum annual management fee of \$400,000 (plus reasonable out-of-pocket expenses), plus an additional fee of 0.3% per annum based upon the Corporation's net asset value in excess of \$100 million; and (c) a fee, at the discretion of the Board, for on-going monitoring or work associated with a transaction or arrangement (other than a financing, or the purchase or sale of uranium).

The previous management services agreement expired on March 31, 2016 and the Corporation entered into the current Management Services Agreement effective April 1, 2016. Under the current Management Services Agreement, the Corporation paid the following fees to the Manager: (a) a base fee of \$400,000 per annum, payable in equal quarterly installments; (b) a variable fee equal to (i) 0.3% per annum of the Corporation's total assets in excess of \$100 million and up to and including \$500 million, and (ii) 0.2% per annum of the Corporation's total assets in excess of \$500 million; (c) a fee, at the discretion of the Board, for on-going monitoring or work associated with a transaction or arrangement (other than a financing, or the acquisition of or sale of U<sub>3</sub>O<sub>8</sub> or UF<sub>6</sub>); and (d) a commission of 1.0% of the gross value of any purchases or sales of U<sub>3</sub>O<sub>8</sub> or UF<sub>6</sub>, or gross interest fees payable to the Corporation in connection with any uranium loan arrangements.

The Management Services Agreement has a term of three years ending March 31, 2019. The Management Services Agreement may be terminated during the term by either party upon the provision of 120 days' written notice and by UPC within 90 days of certain events surrounding a change of both of the individuals serving as CEO and CFO of UPC and/or a change of control of the Manager.

The Management Services Agreement has been filed under the Corporation's profile on the SEDAR website and a copy is available on [www.sedar.com](http://www.sedar.com) or at [www.uraniumparticipation.com](http://www.uraniumparticipation.com). The Manager's head office is 1100 - 40 University Avenue, Toronto, Ontario, M5J 1T1.

#### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or at [www.uraniumparticipation.com](http://www.uraniumparticipation.com). Financial information related to the Corporation is contained in the Corporation's 2017 Annual Report, which includes the audited consolidated financial statements and related MD&A for the year ended February 28, 2017.

Copies of the Corporation's 2017 Annual Report and the Corporation's Annual Information Form may be obtained by writing to the Corporate Secretary of the Corporation at 1100 - 40 University Avenue, Toronto, Ontario M5J 1T1 or may be accessed on the Corporation's website at [www.uraniumparticipation.com](http://www.uraniumparticipation.com) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **BOARD APPROVAL**

The contents and the distribution of this Circular have been approved by the Directors of the Corporation.

DATED as of May 15, 2017.

*/s/ "David Cates"*

David Cates  
President and Chief Executive Officer

## Appendix A

### MANDATE OF THE BOARD, POSITION DESCRIPTIONS AND LIMITS TO MANAGEMENT'S RESPONSIBILITIES

The Board of Directors of Uranium Participation Corporation recognizes the importance of adopting a written mandate and for developing position descriptions for the Board, the Chair of the Board, the Chair of each Committee of the Board and the Chief Executive Officer ("CEO") and has adopted the terms of reference effective the 25<sup>th</sup> of April, 2013.

#### 1. MANDATE AND POSITION DESCRIPTION FOR THE BOARD

- (a) The Board has adopted the following mandate in which it explicitly acknowledges responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, responsibility for the following matters:
- i. to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
  - ii. adoption of a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
  - iii. the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
  - iv. succession planning, including the appointment and monitoring of management and the manager;
  - v. adopting a communications policy for the Corporation; and
  - vi. oversight over the integrity of the Corporation's internal control and management information systems and those of its manager.
- (b) The Board takes its responsibilities very seriously and expects that all directors will participate in Board and Committee meetings on a regular basis, to the extent reasonably practicable, and will review all meeting materials in advance of each meeting. Attendance of directors shall be taken at each Board meeting by the Corporate Secretary.
- (c) At all times, a majority of the Board will satisfy the independence requirements set out by the Canadian Securities Administrators in Multilateral Instrument 52-110 and any other applicable laws and regulations as the same may be amended from time to time. The independent directors shall meet without non-independent directors, as the case may be, at least once per year to discuss the Corporation's matters.
- (d) The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards, and to the highest standards of openness, honesty and accountability that its various stakeholders are entitled to expect. The Audit Committee of the Board has established a Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters, and the Corporation has established a Code of Ethics for Directors, Officers and Employees, which establishes procedures for directors, officers and employees to report any concerns or questions they may have about violations of the Code or any laws, rules or regulations. In addition, the Board will consider adopting other measures for receiving feedback from stakeholders if at any time the Board or its independent directors consider the foregoing to be inadequate.
- (e) All new directors will receive a comprehensive orientation. This orientation may vary from director to director, depending on his or her expertise and past experience, but in each case will be sufficient to ensure that each director fully understands the role of the Board and its committees, the contribution individual directors are expected to make (including the commitment of time and resources that is

expected) and an understanding of the nature and operation of the Corporation's business.

- (f) The Board will provide continuing education opportunities for all directors, where required, so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.
- (g) Prior to nominating or appointing individuals as directors, the Board will consider the advice and input of the Corporate Governance and Nominating Committee on all relevant matters, including:
  - i. the appropriate size of the Board, with a view to facilitating effective decision making;
  - ii. what competencies and skills the Board, as a whole, should possess; and
  - iii. what competencies and skills each existing director possesses.

## **2. POSITION DESCRIPTIONS FOR THE CHAIR OF THE BOARD AND THE CHAIR OF BOARD COMMITTEES AND THE CEO**

- (a) The Chair of the Board will:
  - i. act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties;
  - ii. provide leadership for the Board's independent directors;
  - iii. organize the Board to function independently of management, and ensure that the responsibilities of the Board are well understood by both the Board and management and that the boundaries between the Board and management responsibilities are clearly understood and respected;
  - iv. ensure that the Board has an opportunity to meet without members of management, regularly, and without non-independent directors at least once per year;
  - v. determine, in consultation with the Board and management, the time and places of the meetings of the Board;
    - (1) manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities and mandates, where appropriate, through its duly appointed committees, including:
      - ensuring that the Board works as a cohesive team and providing the leadership essential for this purpose;
      - ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
      - ensuring that a process is in place by which the effectiveness of the Board and its committees is assessed on a regular basis;
      - ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the board and committees is assessed on a regular basis: and
      - ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board.
    - (2) ensure that the Board has a succession planning process in place to appoint the Chief Executive Officer and other members of management when necessary;
  - vi. co-ordinate with management and the Corporate Secretary to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
  - vii. preside as chair of each meeting of the Board;
  - viii. communicate with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board; and
  - ix. act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner, which will involve working with the Chief Executive Officer to ensure that the conduct of Board meetings provides adequate time for serious discussion of relevant issues and that the Corporation is building a healthy governance culture.

The Chair of the Board may, as the case may be, delegate or share, where appropriate, certain of these responsibilities with any committee of the Board.

- (b) Any special responsibilities and authorities of the Chair of any committee of the Board will be set out in the Terms of Reference/Mandate for the Committee. In general, the Chair of a Committee shall lead and oversee the Committee to ensure that it fulfills its mandate as set out in the Committee's Terms of Reference/Mandate. In particular, the Chair shall:
- i. organize the Committee to function independently of management, unless specifically provided otherwise in the Committee's Mandate;
  - ii. ensure that the Committee has an opportunity to meet without members of management as necessary;
  - iii. determine, in consultation with the Committee and management, the time and places of the meetings of the Committee;
  - iv. manage the affairs of the Committee, including ensuring that the Committee is organized properly, functions effectively and meets its obligations and responsibilities;
  - v. co-ordinate with management and the Secretary to the Committee to ensure that matters to be considered by the Committee are properly presented and given the appropriate opportunity for discussion;
  - vi. provide advice and counsel to the CEO and other senior members of management in the areas covered by the Committee's mandate;
  - vii. preside as chair of each meeting of the Committee; and
  - viii. communicate with all members of the Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee.
- (c) The CEO, subject to the authority of the Board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the Board may specify, from time to time. These responsibilities shall include making recommendations to the Board regarding the implementation, performance and monitoring, as the case may be, of each of the items referred to in paragraphs 2(a)i to (b)viii of this mandate and ensuring that procedures are in place and followed by the Corporation so that each of those items and any other requirement of the Board is implemented, performed and monitored in a prudent and responsible manner in accordance with the determinations of the Board. The Board will develop and approve periodically, as the Board considers necessary, the corporate goals and objectives that the CEO is responsible for meeting.

### **3. LIMITS ON THE CEO'S AUTHORITY**

- (a) Unless specifically instructed otherwise by the Board, and except as set out in Section 127(3) of the Ontario *Business Corporations Act* (the "OBCA"), the CEO of the Corporation has the responsibility and authority to transact any business or approve any matter:
- i. in the ordinary course of business of the Corporation; and
  - ii. that is not in the ordinary course of business of the Corporation, but that is not likely to result in a material change, within the meaning of the Ontario Securities Act, with respect to the Corporation; and
- (b) In addition to those matters referred to in Section 127(3) of the OBCA, Board approval is required with respect to any business or matter that is not in the ordinary course of business of the Corporation and that is likely to result in a material change, within the meaning of the Ontario *Securities Act*, with respect to the Corporation.

Managed by:



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