



## CARERX CORPORATION

### BOARD CHARTER

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

In this Mandate:

"**Applicable Laws**" means all applicable provisions of law, domestic or foreign, including, without limitation, the *Securities Act* (Ontario) as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and the applicable rules and policies of the Toronto Stock Exchange any other stock exchanges on which CareRx's securities are listed.

"**Board**" means the Board of Directors of CareRx.

"**CareRx**" means CareRx Corporation.

"**CEO**" means the Chief Executive Officer of CareRx.

"**CFO**" means the Chief Financial Officer of CareRx.

"**Chair**" means the chair of the Board.

"**Charter**" means this charter, as amended from time to time.

"**CGN Committee**" means the Compensation, Governance and Nominating Committee of CareRx.

"**Directors**" mean the directors of CareRx.

##### 1.2 Interpretation

This Charter is subject to, and shall be interpreted in a manner consistent with any, Applicable Laws.

#### 2. PURPOSE AND RESPONSIBILITY OF THE BOARD

The Board is responsible for overseeing the business activities and affairs of CareRx in relation to the execution of its stated objectives. The responsibility of members of the Board is to exercise their business judgment to act in what each Director reasonably believes to be in the best interests of CareRx,



shareholders and other stakeholders. The Board approves the selection of CareRx's executive officers who are responsible for the day-to-day conduct of CareRx's business affairs. By approving this Charter, the Board confirms its responsibility for the stewardship of CareRx and its affairs. This stewardship function includes responsibility for the matters set out in this Charter. The responsibilities of the Board described herein are pursuant to, and subject to, Applicable Laws governing CareRx.

### **3. REVIEW OF CHARTER**

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate.

### **4. CONSTITUTION OF THE BOARD**

#### **4.1 Number of Directors**

In accordance to CareRx's Articles, the Board shall be composed of a minimum of 3 members and a maximum of 11 members, or such other number as may be authorized from time to time in CareRx's articles, with the number of Directors from time to time within such range being fixed by resolution of the Board.

#### **4.2 Election of Board**

Directors will be appointed (including the re-appointment of incumbent Directors) at each annual meeting of the shareholders, and may be appointed at a special meeting of the shareholders, in each case to hold office, subject to Section 4.4, for a term expiring at the close of the next annual meeting of the shareholders following such an appointment.

#### **4.3 Vacancies**

New members may be appointed by the Board between annual meetings to fill a vacancy in accordance with Applicable Laws and the Company's articles and by-laws.

#### **4.4 Ceasing to be a Director**

A Director will cease to hold office when:

- (a) he or she dies or resigns;
- (b) he or she is removed in accordance with the provisions of the Charter; or,
- (c) he or she ceases to be duly qualified to act as a Director as specified in the Charter.

### **5. CRITERIA FOR BOARD MEMBERSHIP**



## **5.1 Qualifications of Directors**

Every Director shall be an individual who is at least 18 years of age, has not been determined by a court to be of unsound mind, and does not have the status of bankrupt.

## **5.2 Residency**

A majority of Board members must be Canadian residents.

## **5.3 Independence of Board**

Subject to any Board nomination rights of shareholders, the Board will endeavor to ensure that a majority of the Board is independent.

## **5.4 Other Criteria**

The Board may establish other criteria for Directors as contemplated in this Charter.

# **6. BOARD CHAIR & COMMITTEE CHAIRS**

## **6.1 Board to Appoint Chair**

The Board shall appoint an independent Director to act as Chair, or alternatively, shall appoint a Director who is not independent to act as Chair and shall also appoint an independent Director to act as Lead Director.

## **6.2 Chairman Emeritus**

The Board may, from time to time, appoint an honorary chairman or *Chairman Emeritus*.

## **6.3 Chair to be Appointed Annually**

The Board shall appoint the Chair annually at the first meeting of the Board after the annual meeting of shareholders at which directors are elected. If the Board does not so appoint a Chair, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

# **7. INFORMATION, ADVICE AND REMUNERATION OF BOARD AND RETAINING ADVISORS**

## **7.1 Remuneration**

Members of the Board and the Chair shall receive such remuneration for their service on the Board as the CGN Committee may determine from time to time.

Unless approved by the Board and specifically disclosed in the annual management information



circular of CareRx:

- (i) no member of the Board may earn fees from CareRx or any of its subsidiaries other than fees (which fees may include cash and/or other securities, including Restricted Stock Units, Deferred Share Units, stock options or other in-kind consideration ordinarily available to Directors of CareRx, as well as all of the regular benefits that Directors of CareRx are entitled to receive, in accordance with CareRx's applicable policies) for acting as members of the Board and members of committees of the Board; and
- (ii) no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from CareRx or any of its subsidiaries.

## **7.2 Retaining & Compensating Advisors**

The Board shall have the authority to retain at the expense of CareRx outside counsel and any other external advisors from time to time as appropriate with the approval of the Chair of the CGN Committee.

## **7.3 Information**

The Board shall have the authority to request from management of CareRx, and from other sources, such information as the Board considers necessary in order to discharge its oversight responsibilities.

# **8. MEETINGS OF THE BOARD**

## **8.1 Calling of Meetings**

The Board, the President and CEO or any Director may at any time call a meeting of the Board to be held at the time and place determined by the Board or by the person calling the meeting, as the case may be. To the extent possible, notice of every meeting so called shall be given to each Director not less than two days before the day on which the meeting is to be held.

## **8.2 Frequency of Board Meetings**

There shall be at least four regularly scheduled meetings of the Board each year, which shall take place in connection with each annual or quarterly release of financial statements. In addition, special meetings may be called from time to time as determined by the needs of the business. Prior to the beginning of each year, the Board and management will discuss major items that should be presented to inform the Board over the course of the next year.

## **8.3 Selection of Agenda Items for Board Meetings**

The Chair of the Board shall set the agenda for Board meetings, with the understanding that



certain items necessary for appropriate Board oversight, such as annual budgets, long range plans, and succession plans, must appear periodically on the agenda. Board members may suggest that particular items be placed on the agenda.

#### **8.4 Board Materials Distributed in Advance**

Information for Board meetings shall be distributed at least 48 hours before the Board meets to the extent possible. Directors are responsible for reviewing these materials prior to each Board meeting.

#### **8.5 Quorum**

A quorum of the Board is present if the majority of the number of Board members are present.

#### **8.6 Secretary of the Meeting**

The Chair shall designate from time to time a person who may, but need not, be a member of the Board, to be Secretary of any meeting of the Board. If the Chair does not designate a person, the Corporate Secretary shall serve as Secretary of the meeting.

#### **8.7 Right to Vote**

Subject to Section 9, each member of the Board shall have the right to vote on matters that come before the Board.

#### **8.8 Invitees**

The Board may invite any of CareRx's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

### **9. CONFLICTS OF INTEREST**

#### **9.1 Disclosure of Interest**

In accordance with Applicable Laws, each Director shall disclose, in writing to the Board or by requesting to have entered in the minutes of meetings of the Board or a committee of Board, the nature and extent of any interest that such Director has in a material contract or material transaction, whether made or proposed, with CareRx, if the Director:

- (a) is a party to the contract or transaction;
- (b) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or



- (c) has a material interest in a party to the contract or transaction.

## **9.2 Voting**

A Director required to make a disclosure under paragraph 9.1(a) above shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) relates primarily to his or her remuneration as a director, officer, employee or agent of CareRx or an affiliate;
- (b) is for indemnity or insurance; or
- (c) is with an affiliate.

## **10. IN CAMERA SESSIONS**

### **10.1 In Camera Sessions of Independent Board**

At each duly convened meeting of the Board, to the extent possible, time shall be provided for the non-management Directors, as well as the independent Directors of the Board, to meet without management and/or the non-independent Board being present, as applicable.

## **11. DELEGATION OF DUTIES & RESPONSIBILITIES**

### **11.1 Delegation of Powers**

The Board may establish one or more committees and may, subject to applicable laws, delegate to such committees any of the powers of the Board. The Board may also, subject to applicable laws, delegate such powers to officers of CareRx (or to other persons as the Board may deem appropriate) as they, in their sole discretion, may deem necessary or desirable pursuant to a Delegation of Authority Policy.

### **11.2 Composition of Committees**

The Board will establish committees of the Board such that the composition of each such committee is in compliance with all Applicable Laws and, where possible, corporate governance principles established by National Policy 58-201 – *Corporate Governance Principles*.

### **11.3 Oversight**

The Board retains responsibility for oversight of any matters it delegates to any Director(s) or any committee of the Board, to management or to other persons.



## **12. CORPORATE GOVERNANCE**

### **12.1 Governance Practices and Principles**

The Board shall be responsible for developing CareRx's approach to corporate governance, including, if deemed appropriate, a set of corporate governance principles and guidelines that are specifically applicable to CareRx.

### **12.2 Governance Disclosure**

- (a) Approval of Disclosure. The Board shall approve disclosure about CareRx's governance practices in any document before it is delivered to CareRx's shareholders or filed with applicable securities regulators or with the stock exchanges.
- (b) Determination that Differences Are Appropriate. If CareRx's governance practices differ from those recommended by applicable securities regulators or the stock exchanges, the Board shall consider these differences and why the Board considers them to be appropriate.

### **12.3 Delegation to CGN Committee**

The Board may direct the CGN Committee to consider the matters contemplated in this Section 12 and to report and make recommendations to the Board with respect to these matters.

## **13. RESPONSIBILITIES RELATING TO MANAGEMENT**

### **13.1 Integrity of Management**

The Board shall, to the extent feasible, reasonably satisfy itself:

- (a) as to the integrity of the CEO, CFO and other executive officers of CareRx; and,
- (b) that the CEO, CFO and other executive officers of CareRx create a culture of integrity throughout the organization.

### **13.2 Succession Planning**

The Board plans for the succession to the position of CEO, the CFO and other members of senior management. To assist the Board, the CEO shall annually provide the Board with an assessment of senior management and their potential to succeed. The CEO shall also provide the Board with an assessment of employees considered potential successors to certain senior management positions, including a review of any development plans recommended. In addition, the CEO shall provide on a continuing basis a short term succession plan which delineates a temporary delegation of authority to certain officers of CareRx, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be in effect until the Board has the



opportunity to consider the situation and take action as necessary.

### **13.3 Executive Compensation Policy**

The Board shall approve and oversee the implementation of CareRx's executive compensation plan including policies and procedures related to CareRx's equity incentive plans.

The Board shall approve the compensation of the CEO and CFO and shall consider and, if appropriate, approve the recommendations of the CEO with respect to the compensation of other members of the senior management team.

The Board may direct the CGN Committee to consider the matters contemplated in this Section 13.3 and to report and make recommendations to the Board with respect to these matters.

## **14. OVERSIGHT OF THE OPERATION OF THE BUSINESS**

### **14.1 Risk Management**

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board, with the assistance of senior management, shall identify the principal risks of CareRx's business, satisfy itself as to the implementation of appropriate systems to manage these risks, and report on same to CareRx shareholders in CareRx's periodic disclosure as required by Applicable Laws.

### **14.2 Internal Control and Management Information Systems**

The Board shall review the reports of management and the Audit Committee concerning the integrity of CareRx's internal control and management information systems. Where appropriate, the Board shall require management and the Audit Committee to implement changes to such systems to ensure integrity of such systems.

### **14.3 Board Interaction with Institutional Investors, Media, Customers & Other Third Parties**

It is the Board's belief that executive management should generally speak for CareRx to external parties. Each Director shall refer all inquiries from institutional investors, media, customers or other third parties to the CEO for response and/or delegation for response. The CEO will seek the advice from the Board in responding to higher risk inquiries as deemed appropriate.

### **14.4 Financial Statements**

The Board shall review the recommendation of the Audit Committee with respect to the annual financial statements of CareRx to be delivered to shareholders. If appropriate, the Board shall approve such financial statements. The Board shall also review the recommendation of the Audit Committee with





respect to the interim financial statements or other material financial disclosure of CareRx prior to its release to the public and, if appropriate, shall approve such financial statements or other material financial disclosure.

## **15. NOMINATION OF BOARD**

### **15.1 Nomination and Appointment of Board**

- (a) The Board shall nominate individuals for election as Directors by the shareholders and shall require the CGN Committee to make recommendations to it with respect to such nominations. Any such nominations shall consider any Director nominees required to be nominated pursuant to any shareholder nomination rights.
- (b) In selecting candidates for nomination as Directors, the Board shall:
  - i. consider what competencies and skills the Board, as a whole, should possess;
  - ii. assess what competencies and skills each existing and proposed new Director possesses; and
  - iii. consider whether each nominee can devote sufficient time and resources to his or her duties as a Director.
- (c) The Chair will extend the invitation to new potential directors to join the Board on behalf of the Board.
- (d) The Board shall consider recommendations made to it by the CGN Committee with respect to the size and composition of the Board.

## **16. BOARD EFFECTIVENESS**

### **16.1 Position Descriptions**

The Board shall review and, if determined appropriate, approve the recommendations of the CGN Committee concerning formal position descriptions for:

- (a) the Chair of the Board, the Vice-Chair and Lead Director (if any) and for each committee of the Board, and
- (b) the CEO and CFO, provided that in approving a position description for the CEO and CFO, the Board shall consider the input of the CEO and CFO and shall develop and approve corporate goals and objectives for which the CEO and CFO are responsible for meeting (which may include goals and objectives relevant to the



CEO's and CFO's compensation, as recommended by the CGN Committee).

## **16.2 Director Orientation and Continuing Education**

The Board shall review and, if determined appropriate, approve the recommendations of the CGN Committee concerning:

- (a) a comprehensive orientation program for new Directors; and,
- (b) a continuing education program for all Directors.

## **16.3 Board, Committee and Director Review**

The Board shall review and, if determined appropriate, adopt a process recommended CGN Committee for reviewing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

## **17. REVIEW OF THE BOARD**

### **17.1 Annual Review of the Board**

Each year, the Board shall review its performance and effectiveness in accordance with the process established by the CGN Committee.

This Charter is approved by the Board on November 5, 2020.