

**MANDATE OF THE CHAIR  
OF THE BOARD OF DIRECTORS**

**OF**

**FIRST NATIONAL FINANCIAL CORPORATION  
(the “Corporation”)**

**1. ROLE**

The Chair of the Board is responsible for leading the Board of First National Financial Corporation in carrying out its functions and responsibilities under the Charter of the Board of Directors.

**2. APPOINTMENT**

The Chair of the Board is appointed by the members of the Board after each annual meeting of shareholders and shall serve at the pleasure of the Board, or until the earlier of the close of the next annual meeting of shareholders, the death of the Chair or the resignation, disqualification or removal of the Chair from the Board.

The Chair of the Board may also act as Chief Executive Officer of the Corporation.

**3. ACCOUNTABILITIES AND RESPONSIBILITIES**

The Chair of the Board shall have the accountabilities and responsibilities set out below.

**4. BOARD MANAGEMENT**

- (1) Chairs all Board and all annual and special meetings of shareholders.
- (2) Represents the Board in all communications with shareholders.
- (3) Facilitates communication between Directors and senior management, as necessary.
- (4) Oversees succession plans for key management roles.
- (5) In consultation with the Chief Financial Officer and Corporate Secretary, the Chair (i) oversees the agenda of each Board meeting which shall include reviews of appropriate operating and strategic issues as well as any other matters requiring approval of, or consideration by, the Board and (ii) oversee the operations of the Board including director recruitment, evaluations and compensation.
- (6) Leads the Board in overseeing the Corporation’s strategic direction and reviewing management’s progress against achieving the Corporation’s objectives.

- (7) In conjunction with the Chief Financial Officer and Corporate Secretary, oversees the provision of adequate and timely information and ensures there are adequate resources to support the Board's decision-making requirements.
- (8) Facilitates a candid and full discussion of all key matters that come before the Board and ensures that all views are considered during the decision-making process.
- (9) Ensures delegated committee functions are carried out and integrated with the activities of the Board.

5. **Board Governance and Independence**

- (1) Leads the Board in establishing the tone for a culture of integrity, risk management and compliance throughout the Corporation.
- (2) Ensures there are regularly scheduled *in camera* sessions of the Board, including sessions of the independent directors only.
- (3) Ensures a lead independent director is appointed by the Board.

*This Mandate of the Chair of the Board of Directors of First National Financial Corporation was approved by the Directors on February 27, 2018 and may be amended from time to time.*