

VALENER INC.
(the “**Corporation**”)
MANDATE OF THE BOARD OF DIRECTORS

1. GENERAL MANDATE

The Corporation’s affairs are managed by the board of directors (the “**Board**”), subject to the restrictions in the *Canada Business Corporations Act* (the “**Act**”) and the Corporation’s General By-laws. The Board is not responsible for the day-to-day management, but oversees it. The day-to-day management is delegated to Énergir, L.P. (the “**Manager**”) pursuant to an administration and management support agreement between the Manager and the Corporation, effective as of September 30, 2010 (the “**Administration Agreement**”).

Accordingly, the Corporation expects that each Director shall:

- a) keep informed and up-to-date about the activities of the Corporation;
- b) read all of the documentation received for Board meetings and contribute to the decisions made by the Board; and
- c) actively participate in the meetings of the Board, unless prevented from doing so because of incapacity.

The Board has established a mandate for the Audit Committee it has created.

2. SPECIFIC RESPONSIBILITIES

The Board’s objective is to ensure that value is created for the shareholders, in compliance with applicable laws, and the values and policies of the Corporation. This growth objective includes the protection of the value of the business against the risks it faces.

The Board discharges its responsibilities either directly or through its committees. It retains full authority for responsibilities that are not specifically delegated to a committee of the Board in such committee’s mandate or to the Manager pursuant to the Administration Agreement.

More specifically, the Board shall, directly or indirectly:

- a) adopt, if required, a strategic plan, which addresses, among other things, business opportunities and risks as well as a strategic planning process;
- b) formulate the Board’s expectations towards the Manager;
- c) identify and monitor the main risks faced by the Enterprise and ensure that appropriate measures and systems are implemented for managing such risks;
- d) define the responsibilities of the Manager and its authority to bind the Corporation;
- e) ensure the integrity of the Corporation’s internal control and information management systems;

- f) develop the Corporation's approach to corporate governance, including the development of principles and guidelines specifically applicable to the Corporation;
- g) adopt and revise any corporate policy it considers appropriate and ensure it is complied with;
- h) establish measures for receiving reactions and comments from holders of the Corporation's securities and address such reactions and comments;
- i) identify decisions that require the pre-approval of the Board and establish approval and authorization policies for decisions and contracts binding the Corporation;
- j) fill any vacancy in a Board directorship until the next annual meeting of the shareholders of the Corporation;
- k) develop and adopt a Code of Ethics for the Directors of the Corporation, ensure it is updated regularly and complied with, including monitoring and approval of all exemptions, where applicable;
- l) periodically evaluate the performance of the Board, its members, its Chairman, its committees and their members and chairs and, give particular consideration to:
 - i) the size of the Board;
 - ii) the competencies and skills the Board as a whole should possess;
 - iii) the performance of the Board and its members;
 - iv) the impact of the individual personalities and qualities of each Director on the Board's dynamic;
 - v) the individual competencies and skills of each Director;
 - vi) the means likely to improve the performance of the Board and of each of its members in the future;
 - vii) the cooperation received from the Manager; and
 - viii) the mandates and operating modes of the Board and its committees, making any necessary adjustments;
- m) develop and approve function descriptions for the Chairman of the Board and the Chair of each Committee;
- n) ensure that all Directors:
 - i) receive basic orientation when they are appointed to the Board concerning the role of the Board and its committees as well as the expectations with respect to their individual contribution; and
 - ii) understand the nature of the activities of the Corporation and how they are managed;

- o) provide opportunities and means for ongoing education for all Directors so that each of them can develop his/her competencies and skills as a director and have an up-to-date knowledge and understanding of the affairs of the Corporation;
- p) create committees of the Board, establish their mandate and appoint their members;
- q) appoint the Chairman of the Board and the Chair of each committee of the Board, and approve the amount of their compensation and that of the Directors;
- r) with the assistance of the Audit Committee, ensure compliance with accounting standards, as well as the integrity and adequacy of financial reporting;
- s) upon recommendation from the Audit Committee, approve the annual and interim financial results of the Corporation;
- t) upon recommendation from the Audit Committee determine the appropriateness of declaring, and declare, where applicable, the payment of dividends to the shareholders of the Corporation;
- u) upon recommendation from the Audit Committee, recommend the choice of the external auditors to the shareholders of the Corporation;
- v) upon recommendation from the Audit Committee, approve the interim and annual reports (Report to Shareholders and Management's Discussion and Analysis), the Annual Information Form as well as any information or proxy solicitation circular;
- w) recommend to shareholders candidates for election as directors at the annual meeting of shareholders of the Corporation, which candidates shall be independent (within the meaning of section 1.4 of *Regulation 52-110 Respecting Audit Committees*, as amended from time to time) of Noverco Inc. and shall not be senior officers of Énergir Inc. or Énergir, L.P.;
- x) approve the articles, by-laws and administrative resolutions as well as any amendments to these documents;
- y) approve the budget of the Corporation;
- z) approve and monitor the budget of the Corporation, or a subsidiary of the Corporation, for a material acquisition or investment (in terms of dollars or strategic nature);
- aa) approve the acquisition or sale of material assets and any other material transaction involving the Corporation, its share capital, its property and its rights or its obligations;
- bb) approve any material reorganization;
- cc) approve the issue, purchase or redemption of securities of the Corporation and approve the related process; and
- dd) approve the form and content of the certificates evidencing the securities of the Corporation.

3. OTHER RESPONSIBILITIES OF THE BOARD

The Board shall periodically:

- a) review and revise its mandate; and
- b) develop an annual work plan that it may revise during the year if necessary.

4. ASSESSMENT OF THE MANAGER'S PERFORMANCE

The day-to-day management of the affairs of the Corporation has been delegated to the Manager pursuant to the Administration Agreement. The Board is responsible for assessing the Manager's performance (at least once every year) so as to ensure that the Corporation achieves its objectives.

5. FUNCTIONING

To effectively discharge its responsibilities, the Board shall meet periodically (at least once per quarter), e.g. normally five to six times a year, and the Board's committees shall meet as necessary between those meetings. The Board shall decide on the frequency and location of its regular meetings and of committee's meetings by adopting a timetable for regular meetings proposed by the Corporate Secretariat of the Manager and modified as required during the year.

Minutes of a meeting shall be submitted to the directors for approval at the following Board meeting, unless unexpected events arise.

To assist it in discharging its responsibilities, the Board has formed one standing committee, the Audit Committee. In addition, the Board has delegated the day-to-day management to the Manager.

Furthermore, in the performance of its mandate, the Board can retain the services of external advisors at the Corporation's expense.

6. CHAIRMAN OF THE BOARD

Following the annual meeting of shareholders of the Corporation at which they are elected, the Directors shall appoint a Chairman from amongst their ranks. The Canadian Securities Administrators' *Policy Statement 58-201 to Corporate Governance Guidelines* provides guidance that, while not mandatory, is for consideration by reporting issuers in developing their own governance practices. The guidelines suggest the chair of the board should be an independent director. Where this is not appropriate, the guidelines suggest an independent director should be appointed to act as "lead director". If the board does not have an independent chair or lead director, Form 58-101F1 of *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* of Canadian Securities Administrators requires that the proxy solicitation circular describe what the board does to provide leadership for its independent directors.

The Chairman of the Board shall be responsible in particular for managing the affairs of the Board and monitoring its effectiveness, setting the agenda for Board meetings and for the relations with the Corporate Secretary of the Manager with respect to the affairs of the Board and its Committees. He/she shall also ensure that any material strategic matters or issues are communicated to the Board for approval and that the Board receives the information, reports, documents and opinions required so that the members of the Board can fulfil their role. He/she shall ensure the decisions made by the Board are implemented. The Chairman of the Board

shall ensure all interested parties, including the Manager, are informed about the Board's policies with respect to compliance with the by-laws and the *Code of Ethics* of the Corporation.

Specific responsibilities of the Chairman of the Board shall be:

- a) to ensure harmonious relations between the Board and the Manager;
- b) at his/her discretion, to sit on Board committees;
- c) to inform the Manager of the Board's assessment of the Manager's performance in discharging its responsibilities under the Administration Agreement;
- d) to ensure that the best corporate governance practices are followed.

7. COMMITTEE CHAIRS

Each committee chair shall ensure the committee fulfils its mandate and shall, in collaboration with the Corporate Secretary of the Manager:

- a) ensure the affairs of the committee are properly managed;
- b) set the agenda for the meetings of the committee;
- c) ensure that all matters or issues of strategic importance relating to his/her committee are communicated to the Board;
- d) ensure the Board receives the information and opinions it requires from the committee to properly discharge its duties.

The Chair of the Audit Committee shall also make himself/herself available to address complaints and concerns of employees of the Manager, holders of the Corporation's securities or any other persons regarding accounting, corporate controls or auditing matters, when those complaints and concerns are directed at the Director, Internal Audit of the Manager.

8. CORPORATE SECRETARY

In accordance with the provisions of the Administration Agreement, the Corporate Secretary of the Manager is responsible in front of the Board for organizing all meetings of the Board and its committees. He/she shall, among other things,:

- a) prepare information provided by the Manager and distribute it to the Directors in a form that will facilitate an understanding thereof and decision-making;
- b) ensure a follow-up of Board and committee decisions;
- c) ensure that corporate records are maintained;
- d) advise Directors as to procedures and liability, in particular with respect to corporate governance;
- e) keep corporate by-laws, policies and procedures of the Corporation up-to-date; and

- f) provide Directors with the necessary information about the Corporation so they can discharge their responsibilities with prudence and diligence.

9. IN CAMERA SESSIONS

At the end of each meeting, the Board shall deliberate without representatives of the Manager invited to attend the meeting. The Chairman of the Board shall chair the *in camera* session.