



# **BOARD OF DIRECTORS CHARTER**

**Cornerstone Capital Resources Inc.**  
**Board of Directors Charter**

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## **General Statement**

The Board of Directors (the “Board”) of Cornerstone Capital Resources Inc. (the “Company” or “Cornerstone”) has a primary responsibility of providing stewardship and governance to the Company on behalf of its shareholders. The Board is responsible to oversee Corporate Governance practices and financial reporting controls to ensure that all financial and other information is both fairly presented and disclosed on a timely basis to shareholders and the public.

The Board is responsible for the strategic direction of the Company, including the formulation of significant policies and goals.

## **Composition of the Board**

-The Board will comprise a minimum of six members to be nominated by the Corporate Governance and Compensation Committee and elected at the Annual General Meeting of the Company. The Board may, if necessary, appoint members to serve on the Board between Annual General Meetings, such appointments to be ratified/elected at the next Annual General Meeting.

-The Board will appoint a Chair annually from amongst its members. The Secretary will be appointed by the Board annually and need not be a member of the Board.

## **Meetings**

-A quorum for meetings will be 50% of the members of the Board plus 1. The Board shall meet at least four times a year and more often if deemed necessary. Meetings may be held in person or by teleconference.

## **Responsibilities**

The primary responsibilities of the Board of Directors are as follows:

- Strategic Planning – Establishing, supervising, monitoring, reviewing and approving the strategic direction of the Company.

- Approval of major business decisions and directions.

- Approval of annual financial statements, operating budgets and capital budgets.

- Reviewing the adequacy of the Audit Committee charter and the Corporate Governance and Compensation Committee charter on an annual basis.

## **Responsibilities (Cont'd)**

-Appoint and evaluate executive officers, and, through the Corporate Governance and Compensation committee, assess the compensation of Executive Officers. The succession planning process should also be monitored by the Board.

-Ensure an adequate Risk Management system is in place to mitigate risks to the Company, its Board, Management and employees. Review and assess processes to ensure the Company complies with all laws and compliance matters.

-Ensure the communications policy of the Company effects regular, timely and full disclosure to the public. Ensure all disclosures are compliant with stock exchange and securities commission regulations.

-Governance Issues – The Board will establish a structure and appropriate procedures to allow it to function independently of management.

*-Establishment and continuous evaluation of Board committees will assist the Board in its activities and responsibilities.*

*-Reviewing, with the assistance of the Audit Committee and External Auditors, the effectiveness of the Company's system of internal controls.*