



AVALON ADVANCE MATERIALS INC.  
(the "Company")

## MANDATE OF THE CHAIR OF THE BOARD

### **DUTIES AND RESPONSIBILITIES OF THE CHAIR OF THE BOARD**

The primary responsibility of the Chair of the Board of Directors of the Company (the "Board") is to facilitate the operations and affairs of the Board so that the Board functions effectively and efficiently and meets its obligations and responsibilities. The Chair, as the presiding member, shall oversee the relationship between the Board and management to facilitate open and effective communication of corporate, strategic and governance priorities and developments.

#### **Appointment**

The Chair is appointed by the Board and serves at the pleasure of the Board until his or her successor is appointed.

#### **Duties and Responsibilities**

The Chair will provide leadership to directors, including by:

1. overseeing the Board's discharge of its duties assigned to it by law, in the constating documents of the Company, and as set out in this mandate;
2. where necessary, establishing procedures to govern the effective and efficient conduct of the Board's work;
3. identifying priorities for the Board's work and preparing meeting schedules to ensure the Board fulfills its responsibilities on a timely basis;
4. being satisfied that the responsibilities of the Board and its committees are well understood by the directors;
5. ensuring that the work delegated to Board committees is carried out and reported on to the Board;

6. mentoring and counseling new members of the Board to assist them in becoming active and effective directors;
7. maintaining regular communication with members of the Board and committee Chairs to coordinate input from all directors;
8. acting as an effective liaison between the Board and the Chief Executive Officer of the Company, including communication of issues arising from the Board, Company shareholders and other stakeholders;
9. keeping informed of developments within the Company by discussions with senior management pertaining to significant matters;
10. working with the Chief Executive Officer and the Chair of the Compensation, Governance and Nominating Committee to foster an appropriate governance culture within the Company;
11. ensuring that resources and expertise are available to the Board so that it may function effectively and efficiently (including the retention of any appropriately qualified and independent outside advisors); and
12. performing such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

The Chair will preside, as Chair, at meetings of the Board and meetings of the shareholders of the Company. The Chair will sit as an *ex officio* member of each committee of the Board to which he or she is not appointed as a committee member and may attend each meeting of any such committee at his or her discretion.

The Chair will, in consultation with the Chief Executive Officer and the Corporate Secretary, as appropriate:

1. establish the frequency of and schedule meetings of the Board;
2. set the agenda for each meeting of the Board;
3. review items of importance for consideration and ensure that all business required to come before the Board is brought before the Board;
4. monitor the adequacy of materials provided by management in connection with deliberations by the Board and its committees;
5. ensure that the Board has sufficient time to review the materials provided to it and to fully discuss the business that comes before the Board;

6. encourage free and open discussion to ensure that meetings are conducted in such a manner that facilitates the exchange of constructive and objective points of view and encourages all directors to participate in such a way that is conducive to good decision making; and
7. ensuring that clarity regarding decisions is reached and accurately recorded.

Approved by the Board of Directors on January 29, 2013.