

APPENDIX B – TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

I. Introduction

The primary responsibility of the board of directors is to foster the long-term success of YNG consistent with its fiduciary responsibility to YNG.

The board of directors operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The board of directors retains the responsibility for managing the business and affairs of YNG, including planning the composition of Directors, selecting its Chair, appointing officers and committees and determining director compensation. Its principal duties fall into six categories.

The Board of Directors shall act in the best interests of the company and be accountable for the stewardship of the company, including, but not limited to, overseeing the conduct and operation of the company, reviewing and approving corporate strategies, plans and financial objectives, appointing, training, monitoring, advising and supervising senior management, assessing the performance and results of management and the company, ensuring effective corporate communications with the public as contemplated herein, ensuring integrity of internal control and management/financial systems, exercising duty of care and preserving the company's assets.

II. Selection of Chair, President and Officers

The board of directors has the responsibility:

- A. for the appointment and replacement of a President and the Chair, for monitoring and review (with and through the Corporate Governance Committee) of the President's compensation and providing advice and counsel to the President in the execution of his duties;
- B. acting upon the advice of the Human Resources and Compensation Committee, and the President concerning his direct reports, to approve the appointment and remuneration of all officers; and
- C. for ensuring that plans have been made for management succession.

III. Monitoring and Acting

The board of directors has the responsibility:

- A. to monitor YNG's progress towards its objects and policies, and to revise and alter its direction through management in light of changing circumstances;
- B. for the identification of the principal risks of YNG's business and ensuring the implementation of appropriate systems to manage these risks; and

- C. for ensuring the implementation and integrity of YNG's internal control and management information systems.

IV. Strategy Determination

The board of directors has the responsibility to review with management the mission of the business, its objects and policies, and the strategy by which it proposes to reach those objects and policies.

V. Policies and Procedures

The board of directors has the responsibility:

- A. to approve and monitor compliance with all significant policies and procedures by which YNG is operated; and
- B. to ensure that YNG operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

VI. Reporting to Stakeholders

The board of directors has the responsibility:

- A. to ensure that the financial performance of YNG is adequately reported to security holders and regulators, as applicable, on a timely and regular basis;
- B. to ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- C. to ensure the timely reporting of any other developments that have a significant and material impact on YNG; and
- D. to report annually to security holders and others required by applicable law on its stewardship for the preceding financial year.

VII. Legal Requirements

- A. The board of directors is responsible for ensuring that all applicable legal requirements have been met, and documents and records have been properly prepared, approved and maintained.
- B. Canadian law, establishes the legal requirements for the board of directors:
 - (i) to manage the business and affairs of YNG;
 - (ii) to act honestly and in good faith with a view to the best interests of YNG;
 - (iii) to exercise the care, diligence and skill that might reasonably be expected from a person of his knowledge and experience;

- (iv) to act in accordance with its obligations contained in the *Canada Corporations Act*, the Securities Act of each province and territory of Canada in which YNG is a "reporting issuer", and other relevant legislation and regulations;
- (v) the following responsibilities cannot be delegated to management or to any Committee:
 - a. the filling of a vacancy among the directors or in the office of the external auditor;
 - b. the manner and the term for the issuance of securities of YNG;
 - c. the payment of a commission to any person in consideration of the purchase or agreement to purchase securities of YNG from YNG or from any other person, or procuring or agreeing to procure purchasers for any such securities;
 - d. the approval of management proxy circulars;
 - e. the approval of any directors' circular; and
 - f. the approval of the financial statements of YNG.