

## **Ritchie Bros. Auctioneers Incorporated Board of Directors Mandate**

The fundamental responsibility of the Board of Directors is the overall stewardship of the Company, with a view to ensuring both the Company's long-term success and that its affairs are conducted in an ethical and legal manner. The Board does so through a system of corporate governance, and by furthering the tone set since the Company's inception: one of high integrity and ethical conduct. The Board is not directly involved in day-to-day management and decisions in the normal course of business. Rather, it exercises its authority by appointing and overseeing the CEO and senior management, by setting a tone of integrity, and by a governance system of approvals and reviews. Items requiring Board approval and review are detailed in the Appendix, and the primary elements of the Board's authority are laid out below.

### **Board Responsibility Relative to Management**

- Appoint the CEO, set the CEO's compensation, and monitor the CEO's performance against a set of corporate objectives aimed at maintaining Ritchie Bros.' culture and enhancing stakeholder value.
- Approve the appointment and compensation of Executive Officers.
- Ensure that a succession plan and planning process are in place and are reviewed annually. Ensure executive development programs are working to enhance management succession.
- Establish limits of authority delegated to management, and ensure appropriate evaluation of the CEO and senior management.

### **Board Responsibility for Operational Effectiveness**

- Annually, review and approve the Company's strategic plan, including strategic, financial and organizational goals for the Company.
- Review and approve the Company's annual budgets, including capital expenditures.
- Regularly review the short and long term performance of the Company and recommend course changes as appropriate.
- Review and consider for approval all significant amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy or corporate structure outside of the ordinary course of business.
- Review and oversee a system to identify the principal risks to the Company and the best practical systems to monitor and mitigate those risks.

### **Board Responsibility for Financial Reporting, Internal Controls and Regulatory Compliance**

- Review and approve the Company's financial statements and periodic disclosure documents.
- Ensure that an effective system of internal controls and disclosure controls and procedures exists.
- Oversee the adoption of a communications policy to ensure fair, accurate, transparent, and timely public disclosure to all stakeholders, including measures for receiving feedback from them.
- Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters in a timely manner.

### **Board Responsibility for Integrity/Corporate Conduct**

- Develop the Company's approach to corporate governance, including practices to ensure the Board functions independently of management, and to ensure that the Board clearly delegates or retains its authority, as necessary.
- Foster a tone that builds on a foundation of ethical behaviour and enhances the Company's core values, as articulated in the Company's strategic plan and other documents.
- Approve and monitor compliance with the Company's Code of Business Conduct and Ethics. Approve any waivers of the Code for Executive Officers and Directors.

### **Board Constitution and Effectiveness**

- Ensure that the Board is constituted of a majority of independent directors, as defined by applicable laws and regulatory guidelines.
- Approve the annual nomination of Directors and any new Director nominees as appropriate.
- Establish the following committees of the Board:
  - Audit
  - Nominating and Corporate Governance
  - Compensationand approve their membership and respective charters. These committees will report to the Board on a regular basis.
- Annually appoint Committee Chairs and select and appoint the Chair of the Board.
- Regularly evaluate the effectiveness of the Board and its Committees.
- Approve Directors' compensation.
- Ensure that non-management directors meet regularly without management.

### **Board Members' Responsibilities**

- Regularly attend Board and Committee meetings, with adequate preparation and review of related materials.
- Engage, as required, in Committee or Board matters between scheduled Committee and Board meetings.
- Embody the Company's values and behavioral norms of integrity, doing what's right, customer service, professionalism, respect, and having fun in Board member interactions with management, employees and stakeholders.

### **Management's Responsibilities Relative to the Board**

- Conduct the day-to-day management of the Company: managing the business, its day-to-day decisions, its performance, its culture, and its compliance with all relevant regulatory requirements, the guidelines laid down by the Board, and the Company's policies and procedures.
- Manage effective interactions with the Board as it oversees Company performance and compliance through its governance system and its oversight of management.