

**Ritchie Bros. Auctioneers Incorporated**  
**Board of Directors Mandate**  
**November 2015**

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. Certain of these responsibilities are exercised by way of the various standing committees of the Board, as set forth in the charters of such committees.

**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 succession plans and planning processes are in place for the CEO and senior executive team and are reviewed annually. Ensure executive development programs are working to enhance management succession.
- Monitor Company performance in terms of meeting standards set forth in the Company's Diversity Policy, including annual review of any diversity initiatives or targets established by the Company, and progress in achieving such initiatives and/or targets.
- 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 Company's disclosure 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
  - Compensation
 and approve their membership and respective charters. These committees will report to the Board on a regular basis.
- Establish such other ad-hoc or temporary committees as may be required from time to time.
- 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**

- Attend and actively participate at 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 and reinforce the core values set forth in the Company's Code of Business Conduct and Ethics.

### **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 oversight of management.

## Ritchie Bros. Auctioneers Board Mandate: Appendix

<b>Category</b>	<b>Items Requiring Board Approval</b>	<b>Items Requiring Board Review</b>
<b>Operational Effectiveness</b>	Strategic Plan (annually)	Corporate subsidiaries/structure (annually)
	Operating and Capital Budgets (annually)	Performance to plan and budgets (quarterly)
	Capital Expenditures, Acquisitions or Dispositions over \$7.5MM	Guidance to investors (quarterly)
	New subsidiaries/structures created with significant implications	Principal risks of the Company and practical plans to address these (annually)
<b>Integrity/Corporate Conduct</b>	Any waivers from compliance with Code of Business Conduct and Ethics (via Audit Com)	
	Corporate Governance practices (via N& CG Com)	
<b>Management</b>	Appointment of CEO	
	CEO compensation (via the Compensation Com)	
	Approval of Executive Officers annual and long-term incentive compensation plans (via Comp Com)	
	Succession plan and management development	
<b>Financial Reporting and Internal Controls</b>	Financial Statements, quarterly Press Releases and related disclosures (via Audit Com)	Company's internal control and disclosure controls systems and performance (via Audit Com)
<b>Board Constitution and Effectiveness</b>	Board membership, including new members and any changes to Committee membership and Board or Committee Chairs (via N&CG Com)	Systems for direct communications with stakeholders
	Directors independence (via N&CG Com)	
	Directors compensation (via N&CG Com)	Results of Board and Committee Self Evaluation process
	Charters and changes to the Charters of any Board Committees (via Committees)	
	Changes to the Governance structure of the Company	
	D&O Insurance (via N&CG Com)	
<b>Other Areas</b>	All material transactions outside of the normal course of business	Significant health, safety and environmental matters (Qtrly)
	Dividends and other shareholder payments	Directors and Executive Officers share & option reporting (Qtrly)
	Borrowings greater than \$7.5MM, share issuance/repurchases and other financings or capital structure changes, other than the rollover of	

	existing facilities. (via Audit Com)	
	Diversity Policies and changes thereto	Gender and cultural diversity initiatives and/or targets