



Science advancing health

TERMS OF REFERENCE NON-EXECUTIVE BOARD CHAIR

Terms of Reference

The Board Chair must be an unrelated and independent director, elected by the majority of the Board of Directors.

The Corporate Governance and Nominating Committee assesses the Chair on a regular basis in relation to the performance objectives established by the Board. The Board Chair is elected annually for up to 5 consecutive years and, subject to favorable formal reviews, may be elected annually to serve for up to an additional 5 years.

Chair's Responsibilities and Authority

General Responsibilities and Authority

The Board Chair reports to the Board of Directors and ultimately to the shareholders. The Board Chair is charged with the responsibility to lead the Board and organize it to function in partnership with but independently of management so as to:

- facilitate the achievement of the goals of the corporation including sustainable growth and maximizing shareholder value,
- provide appropriate oversight of management and the ongoing business and affairs of MDS, and
- foster and support ethical and responsible decision making.

Specific Responsibilities and Authority

The specific responsibilities and authority of the Board Chair include:

Managing the Board

The Chair's duties shall include:

1. Chairing all meetings of the Board of Directors, including portions of those meetings where management is not present.
2. Setting the tone and culture for effective and transparent dialogue and decision making at the Board.
3. In concert with the Chief Executive Officer, setting the Board meeting schedules, work plans and agendas of each meeting and for the quality of the information sent to or presented to the Board.
4. At each Board of Directors meeting, meeting separately with the unrelated and independent members of the Board.
5. Meeting and communicating regularly with all members of the Board and providing feedback and input to all committees as appropriate through the committee chairs.
6. Attending committee meetings where appropriate.
7. Consulting both collectively and individually with all members of the Board, when necessary, to maximize the contribution of individual directors and performance of the Board and each of its committees as a whole.
8. In concert with the Chair of the Human Resources and Compensation Committee, reviewing and assessing the performance of the Chief Executive Officer and leading the process to recommend the Chief Executive Officer for appointment by the Board.

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9. In consultation with the Chair of the Corporate Governance and Nominating Committee, facilitating the appointment of members and chairs of the Board committees as well as the process of Board development in respect of skills, composition, recruitment, orientation and assessment of the effectiveness of the Board members and the Board as a whole.
10. On matters pertaining to corporate governance, meeting and communicating regularly with the Chair of the Corporate Governance and Nominating Committee.
11. Verifying that the Board and its committees have appropriate administrative support and, if appropriate, ready access to all senior executives and/or external legal, accounting or other advisers.
12. Establishing effective processes for and addressing enquiries, complaints, or any significant concerns of Board members on Board matters.

Working With Management

1. The CEO is accountable to and reports to the Board. To further support that reporting structure, the Non Executive Chair will be meeting and communicating regularly with the Chief Executive Officer on matters pertaining to corporate performance, and providing feedback and advice to the Chief Executive Officer on behalf of the Board and/or individual directors.
2. Providing advice and counsel as appropriate to the CEO and to senior management, when requested by the CEO.
3. Building an open working relationship between senior management and the Board of Directors.
4. Ensuring that communications with management support the early identification of policy and organizational issues that should be addressed by the Board.
5. Representing shareholders and the Board to the management.

Shareholder and Investor Relations

1. Chairing annual and special meetings of shareholders.
2. Meeting as requested by the Chief Executive Officer, with investors, shareholder groups, financial analysts and the media.

Government, Regulators and the Community

1. Meeting as requested by the Chief Executive Officer, with officials from government, regulators and the community to further the objectives of the Company.