

QUARTERHILL INC.  
BOARD OF DIRECTORS MANDATE

The board of directors (the "**Board**") of Quarterhill Inc. ("**Quarterhill**" or the "**Corporation**") is responsible for supervising the management, which shall manage the business and affairs of the Corporation. The Board has the statutory authority and obligation to protect and enhance the assets of the Corporation, and the principal mandate of the Board is to oversee the management of the business and affairs of the Corporation, while ensuring the Board and management maintain a cohesive relationship to best support positive outcomes for shareholders, management and employees, and monitor the performance of management.

In keeping with generally accepted corporate governance practices and the recommendations contained in National Policy 58-201 *Corporate Governance Guidelines* adopted by the Canadian Securities Administrators, the Board assumes responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, explicitly assumes responsibility for the following:

1. Board Composition and Independence

The Board is responsible for managing its own affairs, including planning its composition, selecting its Chair and/or Lead Director, appointing Board committees and determining directors' compensation. While it is appropriate to confer with the management on the selection of candidates to be nominated as members of the Board, the ultimate selection should be determined by the existing independent members of the Board. The Chair of the board should be an independent director, and if not independent, an independent director should be appointed to act as Lead Director.

The composition of the Board shall comply with the applicable requirements of the Canada Business Corporations Act, the Toronto Stock Exchange and applicable securities laws. If required by applicable law, at least 25% of the directors must be "resident Canadian" as defined by the Canada Business Corporations Act and at least a majority of members of the Board should qualify as "independent", as such term is defined in applicable securities laws.

Certain tasks suited to independent judgments will be delegated to specialized committees of the Board that are comprised exclusively of independent directors. In addition, the Board may delegate specific responsibilities to standing committees of the Board in order to effectively manage the affairs of the Corporation.

The Board will periodically evaluate its own performance in a continuing effort to improve. For this purpose, the Board may establish criteria for Board and Board member performance, and pursue a self-evaluation process for evaluating both overall Board performance and contributions of individual directors.

2. Accountability and Mandate

The Board's relationship with Quarterhill is guided by a fiduciary principle that requires each director to act honestly and in good faith with a view to Quarterhill's best interests. In exercising their powers and discharging their duties, every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board's primary role is one of stewardship in collaboration with management. The Board oversees the operations of Quarterhill and supervises its management, which is responsible for the day-to-day conduct of its business. The Board establishes Quarterhill's policies, monitors its strategic direction and evaluates, on an ongoing basis, whether resources are

being managed in a manner consistent with the enhancement of shareholder value, ethical considerations and corporate social responsibility.

In carrying out its responsibilities, the Board focuses on the following specific matters:

- (a) *Integrity* - setting Quarterhill's moral and ethical norms and satisfying itself, to the extent feasible, as to the integrity of Quarterhill's Chief Executive Officer (the "**CEO**") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout Quarterhill;
- (b) *Corporate Policies* - periodically reviewing, assessing the adequacy of, and amending, as deemed advisable, Quarterhill's corporate policies, including Committee Charters, this Mandate, the Insider Trading Policy, the Corporate Disclosure and Confidentiality Policy, the Code of Business Conduct and other relevant policies associated with ensuring an effective system of corporate governance, and monitoring compliance with such policies;
- (c) *Board Meetings* - establishing procedures for effective Board meetings and otherwise ensuring that processes, procedures and structures are in place to ensure that the Board functions independently of Quarterhill management and without conflicts of interest;
- (d) *Strategic Review* - adopting a strategic planning process and approving, on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of Quarterhill's business;
- (e) *Risk Management* - identifying the principal risks of Quarterhill's business, ensuring the implementation of appropriate systems to monitor and manage those risks, and monitoring and reviewing Quarterhill's risk exposures and the steps management has taken to monitor and control such exposures;
- (f) *Succession Planning* - succession planning for Quarterhill and the Board, including annually reviewing Quarterhill's management's development and succession plans, recruitment, training and evaluation;
- (g) *Compensation* - approving the compensation of the CEO and such other senior executives as deemed appropriate;
- (h) *Communication Policy* - approving a corporate communications policy to ensure effective and timely communication and disclosure to the shareholders of the Corporation, other stakeholders and the public in general. This communication policy must effectively and fairly present the operations of Quarterhill to shareholders and should accommodate feedback from stakeholders;
- (i) *Periodic Reporting* - approving annual and interim financial results, MD&A, management information circulars and their publication pursuant to the recommendations of the Audit Committee and in compliance with applicable laws. The Board has the responsibility for ensuring that procedures are in place to effect the timely reporting of any material information, including developments that have a significant and material impact on the value of Quarterhill's securities;
- (j) *Internal Controls* - overseeing internal control and management information systems;
- (k) *Stakeholder Feedback* - setting up process for receiving feedback from stakeholders; and

- (l) *Corporate Governance* - developing Quarterhill's approach to corporate governance policies, practices and guidelines, including reviewing and approving Quarterhill's annual corporate governance disclosure.

### 3. Individual Directors

Individual directors are also expected to:

- (a) *Commitment and Attendance* - all members of the Board should make every effort to prepare for and attend all meetings of the Board and meetings of committees of which they are members, if any.
- (b) *Participation in Meetings* - each member of the Board should be sufficiently familiar with the business of Quarterhill, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Each member should participate fully and frankly in Board deliberations and discussions and demonstrate a willingness to listen and consider other opinions.
- (c) *Financial Knowledge* - one of the most important roles of the Board is to monitor financial performance. Each member of the Board should know how to read financial statements, and understand the use of financial ratios and other indices for evaluating financial performance.
- (d) *Continuing Education* - each member of the Board should be willing to participate in director orientation and development programs.
- (e) *Other Directorships* - members of the Board should advise the Chair of the Board prior to accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.
- (f) *Contact with Management* - all members of the Board are invited to contact the CEO at any time to discuss any aspect of Quarterhill's business. While respecting organizational relationships and lines of communication, members of the Board have complete access to other members of management. There should be afforded opportunities for members of the Board to meet with the CEO, CFO and other members of management in Board and committee meetings and in other formal or informal settings.
- (g) *Confidentiality* - the proceedings and deliberations of the Board and its committees are confidential. Each member of the Board shall maintain the confidentiality of information received in connection with his or her services.