

# TELESAT™

## CORPORATE GOVERNANCE GUIDELINES

### Section 1 Introduction

- (1) The board of directors (the “**Board**”) of Telesat Corporation (“**Telesat**” or the “**Company**”) is committed to adhering to high standards in its corporate governance practices.
- (2) The Board has approved the following corporate governance guidelines (the “**Corporate Governance Guidelines**”) which, together with the mandate of the Board (the “**Board Mandate**”), the charters for the committees of the Board, the position descriptions for the Board chair, lead director and committee chairs, the articles of Telesat, as amended and restated (the “**Telesat Corporation Articles**”) and the separate investor rights agreements dated November 23, 2020 entered into between Telesat and each of MHR Fund Management LLC (“**MHR**”) and Public Sector Pension Investment Board (“**PSP**”) (as may be amended from time to time, the “**Investor Rights Agreements**”) provide the general framework for the governance of the Company. In the event of any conflict between these Corporate Governance Guidelines and the Telesat Corporation Articles or the Investor Rights Agreements, or any of the rights, privileges, arrangements, or powers set forth therein, the Telesat Corporation Articles and the Investor Rights Agreements shall prevail and these policies shall not and shall be interpreted not to, directly or indirectly interfere with, limit or restrict or otherwise disrupt, any of such rights, privileges, arrangements or powers. The Board intends that these Corporate Governance Guidelines will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

### Section 2 Board and Committees

- (1) **Board and Committee Mandates.** The Board is responsible for the stewardship of the Company and has adopted the Board Mandate setting out the Board’s responsibilities with respect to the stewardship and oversight of the Company and providing for the establishment of standing committees of the Board. Committees currently consist of the Audit Committee, the Nominating & Corporate Governance Committee and the Human Resources & Compensation Committee. The mandates of each Board committee are set out in their respective charters. The Board shall review or may delegate to the Nominating & Corporate Governance Committee to review and assess the adequacy of the Board and committee mandates and recommend any proposed changes to the Board for consideration.
- (2) **Corporate Governance.** The Board has delegated responsibility to the Nominating & Corporate Governance Committee for developing the Company’s approach to corporate governance for the Board’s approval, including recommending modifications to these Corporate Governance Guidelines for consideration by the Board.

### Section 3 Board Organization & Membership

- (1) **Board Size and Quorum.** The Board shall initially be comprised of ten directors and thereafter, the number of directors may be set out by resolutions of the shareholders or as adjusted by the Board from time to time. The Board has the ability to increase

or decrease its size within the limits set out in, and pursuant to the provisions of, the Telesat Corporation Articles and the Investor Rights Agreements. The Board will determine its size with regard to the best interests of the Company. The Board believes that the size of the Board should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision making and maximize full Board attendance. The Board will review its size if a change is recommended by the Nominating & Corporate Governance Committee. In accordance with the Telesat Corporation Articles, a majority of the directors will constitute a quorum for a meeting of the Board.

(2) **Independence.** The Board shall review and make a determination on the independence of each member of the Board (each a “**Director**” and collectively, the “**Directors**”) as required under applicable securities laws and the rules of any stock exchange upon which the securities of the Company are listed. The Company will publicly disclose the determination of independence of the Directors in accordance with applicable securities laws. The Board will be comprised in accordance with the relevant provisions of the Telesat Corporation Articles and at all times shall include a minimum of three (3) independent Directors who are also unaffiliated with MHR and PSP, with a view to ensuring that a majority of the Directors are independent in accordance with the standards set forth under Section 1.2 of National Instrument 58-101 and NASDAQ Rule 5605(a)(2).

(3) **Director Selection Criteria and Diversity.**

(a) The Nominating & Corporate Governance Committee is required under its Charter to review the characteristics, qualities, skills and experience, which form the criteria for candidates to be considered for nomination to the Board. In addition, the Board is committed to ensuring that its Directors are reflective of diverse professional experience, skills, knowledge and other attributes that are essential to its successful operation and the achievement of Telesat’s current and future plans and objectives. The objective of this review will be to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the overall stewardship of the Company. All Directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and be committed to representing the long-term interests of the shareholders. They must also have a genuine interest in the Company, the ability to be objective about what is in the best interests of the Company, have independent opinions on all issues and be able to devote sufficient time to discharge their duties and responsibilities effectively.

(b) The Nominating & Corporate Governance Committee is mandated to identify qualified candidates for nomination as Directors and to make recommendations to the Board. When identifying candidates to nominate for election to the Board, the primary objectives of the Nominating Committee are to ensure consideration of individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities, having regard to Telesat’s current and future plans and objectives, as well as anticipated regulatory and market developments. In furtherance of the Company’s commitment to diversity, the Nominating & Corporate Governance Committee will balance these objectives with the need to identify and promote individuals who are reflective of diversity for nomination for election to the Board. In particular, the Board believes that having a diverse Board can offer

a breadth and depth of perspectives that enhance the Board's performance. The Board values diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning Director nominees will be based on merit and past performance as well as expected contribution to the Board's performance and, accordingly, the Nominating & Corporate Governance Committee should take diversity into consideration when making recommendations for nominees to the Board.

- (4) **Election by Shareholders.** The Directors shall be elected each year by the shareholders of the Company at the annual meeting of shareholders. Following a recommendation by the Nominating & Corporate Governance Committee, the Board will propose individual nominees to the shareholders for election to the Board at each such meeting, subject at all times to the nomination rights contained in the Investor Rights Agreements and the Telesat Corporation Articles. Between annual meetings of shareholders, the Board may appoint Directors to serve until the next such meeting in accordance with the Telesat Corporation Articles and the Investor Rights Agreements.

#### **Section 4 Selection of Chair of the Board and Lead Director**

- (1) **Chair of the Board.** The chair of the Board (the "**Chair**") will be appointed by the Board, after considering the recommendation of the Nominating & Corporate Governance Committee, for such term as the Board may determine. If the Chair is unable to attend a meeting of the Board, such meeting shall be chaired in accordance with the Telesat Corporation Articles. The Board has adopted and will periodically review the position description for the Chair.
- (2) **Lead Director.** The Board, as required, may have an independent Director to carry out the functions of a lead director (the "**Lead Director**"). If the Company has a non-executive Chair, then the role of the Lead Director will be filled by the non-executive Chair. The Lead Director or non-executive Chair will chair regular meetings of the independent Directors and assume other responsibilities that the independent Directors as a whole have designated. The primary responsibilities of the Lead Director will be to seek to ensure that appropriate structures and procedures are in place so that the Board may function independently.

#### **Section 5 Term Limits and Retirement Age for Directors**

- (1) **Term Limits for Directors.** The Board has determined that fixed term limits and a mandatory retirement age for Directors should not be established. The Board is of the view that such a policy would have the effect of forcing Directors off the Board who have developed, over a period of service, increased insight into the Company and who, therefore, can be expected to provide an increasing contribution to the Board. At the same time, the Board recognizes the value of Board refreshment as may be appropriate from time to time and shall consider any recommendations made by Nominating & Corporate Governance Committee in that regard.

#### **Section 6 Director Orientation and Continuing Education**

- (1) **Orientation.** Upon election to the Board, new Directors shall be provided with a comprehensive orientation program aimed at familiarizing them with the Company's industry, strategic plans, significant risk management issues, key policies and practices, principal officers and management structure, and financial standing.

- (2) **Continuing Education.** The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages Directors to participate in ongoing education, as well as participation in accredited Director education programs. Telesat will reimburse Directors for reasonable expenses incurred in connection with these education programs.

## **Section 7 Board Committees**

- (1) **Board Committees.** The Board has determined that there should be, and the Telesat Corporation Articles require in certain circumstances that there are, three standing committees of the Board: (i) the Audit Committee; (ii) the Nominating & Corporate Governance Committee; and (iii) the Human Resources & Compensation Committee. The Board may consider amending the Board committee structure and authorization and appoint other committees as it considers appropriate and in accordance with the Telesat Corporation Articles and the Investor Rights Agreements.
- (2) **Committee Charters and Responsibilities.** The Board shall approve a written charter for each standing committee of the Board, which written charter shall set forth the composition, purpose, authority, duties and responsibilities of each committee.
- (3) **Membership of Committees.**
- (a) The committees of the Board shall be composed, including with respect to size, independence and other attributes, in accordance with the written charter of the respective committee, subject to the Telesat Corporation Articles and the Investor Rights Agreements.
- (b) The Board shall appoint the members of the committees from time to time and as necessary to fill vacancies, and the Board or the Committee members, as applicable, shall appoint the chair of each committee in accordance with the Telesat Corporation Articles and the Investor Rights Agreements. Members of the committees will hold office at the pleasure of the Board.
- (4) **Oversight of Committee Functions.** The committees shall assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for all matters assigned to a Board committee. Except as may be explicitly provided in the charter of a Board committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board for the Board's approval of matters considered by the committee. Each Director will have access to minutes of committee meetings, regardless of whether the Director is a member of such committee.

## **Section 8 Board Meetings & Materials.**

- (1) **Meeting Agendas.** The Chair, in consultation with the Lead Director, if any, the chair of any applicable committee, all other Directors who provide agenda items to the Chair (which items shall be included in the agenda), the Chief Executive Officer and the Chief Financial Officer, as appropriate, shall establish the agenda for Board meetings.

- (2) **Meeting Materials.** Board and committee meeting materials will be provided to Directors, to the extent possible, before each Board or committee meeting in sufficient time to ensure adequate opportunity exists for review. The Board recognizes that certain items to be discussed at Board meetings are of an extremely sensitive nature and that distributing materials on these matters prior to Board meetings may not be appropriate.
- (3) **Meetings of Independent Directors.** The Board will meet in camera at each meeting. The independent Directors will hold in camera executive sessions at least twice per year or more frequently as desired or as required by applicable law, regulation or listing standards. The Board may invite, at its discretion, any other individuals to attend its meetings. Senior management of the Company shall attend a meeting if invited by the Board. The Corporate Secretary of the Company will act at the secretary of each Board and committee meeting.

## **Section 9 Board's Relationship with Management**

- (1) **Board Relationship with Management.** The Board will support and encourage the members of management in the performance of their duties. Management will make appropriate use of the Board's skills before decisions are made on key issues. The Board has adopted and will periodically review the position description for the Chief Executive Officer.
- (2) **Limits on Management Authority.** The Board will approve annual business plans and budgets and will also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All transactions, arrangements and commitments outside approved budgets and defined limits will require approval by the Board.
- (3) **Director Access to Management.** All Directors will have unrestricted access to the Company's senior management for relevant information. Individual Directors are encouraged to make themselves available for consultations with management outside Board meetings in order to provide specific advice and counsel on subjects where such Directors have special skills, knowledge and experience.

## **Section 10 Director Responsibilities & Performance**

- (1) **Director Responsibilities.** A Director has an important and positive role as a representative of the Company. Directors are expected to use their skill and experience to provide oversight over the business and affairs of the Company. Directors have a statutory duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.
- (2) **Attendance at Meetings.** Directors are expected to attend all Board and committee meetings either in person or by conference call. A Director shall notify the Chair or the chair of a committee or committee secretary if the Director will not be able to attend or participate in a meeting. The Company is required to publicly disclose the Directors' attendance record on an annual basis.
- (3) **Meeting Materials.** Among other matters, Directors are expected to review and be familiar with Board and committee meeting materials, which have been provided in

sufficient time for review prior to a meeting. Directors may advise the Chair or the chair of a committee of matters, which they believe should be added to a meeting agenda.

- (4) **Director Meeting Contribution.** At Board meetings, each Director is expected to take an active role in discussion and decision-making. To facilitate this, the Chair is responsible for fostering an atmosphere conducive to open discussion and debate. Directors are expected to commit the time and resources necessary to properly carry out their duties. New directors are expected to understand fully the role of the Board, the role of the committees and the contribution individual directors are expected to make
- (5) **Outside Advisors.** The Board or any committee thereof shall have the authority to engage an independent advisor to assist on matters involving the discharge of its duties and responsibilities as a Director, at the expense of the Company.
- (6) **Confidentiality.** Directors are expected to keep boardroom information concerning the Company confidential at all times. Notwithstanding the foregoing, nothing herein or in any other policy adopted by the Company shall be construed to interfere with any access or information rights granted to the respective parties under the Investor Rights Agreements.
- (7) **Conflicts of Interest.** To the extent required by applicable law, Directors have a statutory responsibility to disclose all actual or potential conflicts of interest and generally, to abstain from voting on matters in which the Director has a conflict of interest. A Director will recuse himself or herself from any discussion or decision on any matter in which the Director is prohibited from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interests.
- (8) **Change of Status/Occupation/Directorships.** Directors will report any changes in their primary occupation or business association to the Chair of the Board and the Nominating & Corporate Governance Committee. Directors who are in a management role with the Company are expected to provide a letter of resignation when they no longer hold a management role with the Company. Directors will notify the Chair of the Board and the Nominating & Corporate Governance Committee of accepting a public company directorship or changing their primary occupation and will respond to reasonable inquiries from the Company concerning any of their other material business activities.

#### **Section 11 Director Equity Ownership**

- (1) The Company encourages Directors to own equity in the Company and has approved Share Ownership Guidelines, upon the advice and recommendation of the Human Resources & Compensation Committee.

#### **Section 12 Director Compensation**

- (1) The form and amount of Director compensation will be reviewed at least annually by the Human Resources & Compensation Committee, which shall make recommendations to the Board based on such review. Executive officers who are also Directors shall not receive additional compensation for their service as Directors.

- (2) Non-employee Directors receive compensation that consists of a combination of cash and equity. The Human Resources & Compensation Committee recommends to the Board the form and amount of cash-based and equity-based compensation to be paid or awarded to non-employee Directors for service on the Board and its committees based on the Human Resources & Compensation Committee's consideration of the responsibilities and time commitment of Directors and information regarding the compensation paid at peer companies. The Human Resources & Compensation Committee will periodically review the level and form of, and, if it deems appropriate, recommend to the Board changes in, Director compensation.

### **Section 13 Code of Conduct**

- (1) The Company's policy is that the activities of its Directors, officers and employees shall be conducted with honesty and integrity and in compliance with all legal and regulatory requirements. The Company's Code of Ethics (the "**Code**") sets out the guidelines and principles for ethical conduct.
- (2) The Board, with advice and recommendations from the Nominating & Corporate Governance Committee, shall review the Code to consider whether to approve changes in the Company's standards and practices. The Code is posted on the Company's website at [www.telesat.com](http://www.telesat.com) and is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov).

### **Section 14 Shareholder Communication with the Board.**

#### **(1) Engagement Policy**

The Board values regular and constructive engagement with its shareholders and regularly communicates through the Company's website and other disclosures, including annually in the management proxy circular. Information regarding Telesat's business operations, financial results and strategy is also provided by senior management periodically throughout the year at various conferences, webcasts and by news release.

These discussions are intended for the Board to be able to listen to shareholders and engage in constructive dialogue, having regard to ensuring that discussions are limited to otherwise publicly available material information in accordance with Telesat's Disclosure Policy and general legal restrictions on selective disclosure of material information.

#### **(2) Manner of Engagement**

Key information relating to Telesat's governance and executive compensation practices, as well as information about individual directors, is provided annually through Telesat's management proxy circular. The Board encourages shareholder attendance and participation at the annual shareholder meeting as it provides a valuable opportunity to engage with the Company with regard to corporate governance and other important matters. Board members and proposed nominees for the Board are encouraged to attend annual meetings.

Outside of the annual meetings, shareholders may contact the Board by mail or e-mail to the following address:

160 Elgin Street  
Suite 2100  
Ottawa, Ontario, Canada K2P 2P7  
Attn: Investor Relations Department  
Email: hharley@telesat.com

The Investor Relations Department has been designated by the Board as its agent to receive and review communications and meeting requests addressed to the Board. Once received, the Investor Relations Department shall work in consultation with the General Counsel in order to determine whether the communication is appropriate for the Board or should be addressed by management or otherwise. Communications deemed to be appropriate for the Board will be distributed to the Board, Board or committee Chair or individual director, as appropriate, depending on the facts and circumstances outlined in the communication. The Board will endeavor to respond to all appropriate correspondence in a timely manner. Appropriate topics for engagement with the Board include board oversight of strategy, risk, corporate mission and goals and executive compensation, and communications relating to topics that are unrelated to the duties and responsibilities of the Board shall be excluded.

#### **Section 15 Evaluation**

- (1) The Board and its committees annually conduct evaluations to assess their effectiveness and to identify opportunities to improve Board and committee performance. Directors are required to evaluate performance of the Board, its committees and each of its members, with aggregate results reported to the Board. Each committee shall, as part of the annual Board and committee evaluation process, evaluate its own performance and report to the Board on such evaluation, in accordance with the terms of its charter.

#### **Section 16 Disclosure**

- (1) Certain documents and information referred to in these Corporate Governance Guidelines may be accessed through the Company's website: [www.telesat.com](http://www.telesat.com). As required by applicable law, certain information is or will be included in the Company's annual information form/report and management proxy circular and posted on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov).
- (2) The Board may, from time to time, permit departures from the terms of these Corporate Governance Guidelines, either prospectively or retrospectively. These Corporate Governance Guidelines are not intended to give rise to civil liability on the part of the Company or its Directors or officers to shareholders, security holders, customers, suppliers, vendors, contractors, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

Dated: November 4, 2022

Approved by: Nominating & Corporate Governance Committee  
Board of Directors of the Company