

QUARTERHILL INC.
BOARD OF DIRECTORS MANDATE

Appointment and Composition

Directors of Quarterhill Inc. ("**Quarterhill**") are elected annually by shareholders and, together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute the Quarterhill Board of Directors (the "**Board**"). The Board will subsequently elect a Chairperson of the Board (the "**Chairperson**") who is not an executive officer of Quarterhill or any of its subsidiaries (collectively, the "**QH Group**") or each of a Chairperson who is an executive officer of any QH Group member **and** a lead director who is not an executive officer of any QH Group member. The Board may also elect a Vice-Chairperson of the Board who is not an executive officer of Quarterhill or any of its subsidiaries.

The composition of the Board, including the qualification of its members, shall comply with the applicable requirements of the *Canada Business Corporations Act*, the Toronto Stock Exchange and applicable securities regulatory authorities, as adopted or in force or amended from time to time. 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" directors in accordance with the rules of applicable securities regulators (collectively, the "**Independence Rules**" and references herein to "independent" shall have the meaning given in the applicable Independence Rules).

Accountability and Mandate

The Board has the statutory power and obligation to supervise the management of Quarterhill. 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. 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 fulfilling all its roles, the Board and its individual members conduct themselves in compliance with Quarterhill's Code of Business Conduct and Ethics (the "**Code**") and Quarterhill's Corporate Disclosure and Confidentiality Policy (the "**Disclosure Policy**") including, without limitation, the confidentiality provisions of each of the Code and the Disclosure Policy, and Board members may not use any information received from Quarterhill for any personal or otherwise inappropriate purposes.

The Board also discharges its responsibilities through standing committees which currently include the following committees: Audit; Compensation; Governance; and

Nominating. The charter of each standing committee prescribes its duties and responsibilities and is reviewed periodically by the Board.

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

- (a) ensuring the protection and advancement of shareholder value;
- (b) 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;
- (c) reviewing and assessing the adequacy of Quarterhill's strategic corporate policies including its Insider Trading Policy, the Disclosure Policy, the Code and other relevant policies associated with ensuring an effective system of corporate governance (collectively, the "**Policies**"), including making any amendments to any Policy;
- (d) monitoring compliance with each Policy, authorizing and overseeing the investigation of any alleged breach of any Policy by any employee of any QH Group company or any member of the Board and granting any waivers with respect to any such breach if and to the extent appropriate;
- (e) reviewing all related party transactions involving Board members or QH Group employees, discussing the business rationales for any such transactions and determining whether appropriate disclosures have been made by any such Board members or employees to the Board as a whole;
- (f) receiving reports from legal counsel evidencing any material violation of applicable laws by Quarterhill or any breaches of fiduciary duties;
- (g) 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 any conflicts of interest;
- (h) appointing the members of each of the Board's standing committees including the chairperson of each such standing committee;
- (i) approving the compensation for individual directors, with input from the Compensation Committee;
- (j) adopting a strategic planning process and approving, on an annual basis, a strategic plan which takes into account the opportunities and risks of Quarterhill's business;
- (k) 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;
- (l) succession planning for Quarterhill and the Board including annually reviewing Quarterhill's management's development and succession plans including recruitment,

training and evaluation matters contained therein;

- (m) approving the compensation of each of Quarterhill's senior executives with input from the Compensation Committee and approving any major changes to QH Group compensation programs and any significant restructuring of any QH Group members;
- (n) approving the corporate communications policy in line with the Disclosure Policy and overseeing its effective implementation, with primary emphasis on communication with shareholders;
- (o) approving annual and interim financial results, MD&A, management proxy circulars and their publication pursuant to the recommendations of the Audit Committee;
- (p) overseeing internal control and management information systems;
- (q) setting up measures for receiving feedback from shareholders;
- (r) overseeing all matters relating to Quarterhill's legal, regulatory and financial integrity; and
- (s) adopting, pursuant to the recommendation of the Governance Committee, a system of corporate governance policies and practices, including reviewing and approving Quarterhill's annual corporate governance disclosure as contained in Quarterhill's annual management proxy circular.

Individual Directors

The Board seeks directors from diverse professional and personal backgrounds with both a broad spectrum of experience and expertise and a reputation for business acumen and integrity. Potential new directors are assessed on their individual qualifications as well as skill, age and experience in the context of the needs of the Board. Individual directors are also expected to:

- prepare for each Board and committee meeting and maintain an excellent Board and committee meeting attendance record;
- participate fully and frankly in Board deliberations and discussions and demonstrate a willingness to listen to others' opinions and consider them;
- think, speak and act independently and be willing to raise tough questions in a manner that encourages open discussion;
- focus inquiries on issues related to strategy, policy and results rather than day-to-day issues of corporate management;
- participate on committees and become knowledgeable about the duties, purpose and goals of each committee;

- become knowledgeable about Quarterhill's business and the industries in which it operates, including the regulatory, legislative, business, social and political environments;
- participate in director orientation and development programs;
- become acquainted with senior managers;
- visit Quarterhill offices when appropriate; and
- annually review this Mandate and any other documents used by the Board in fulfilling its responsibilities.

Measures for Receiving Shareholder Feedback

Quarterhill has developed the Disclosure Policy to facilitate consistent disclosure practices aimed at informative, timely and broad dissemination of material information to the market in compliance with applicable securities laws and the applicable rules and policies of the Toronto Stock Exchange. The Disclosure Committee established under the Disclosure Policy is responsible for overseeing and monitoring communications with, and responses to inquiries from, both institutional and individual investors and the financial community consistent with the Disclosure Policy's objectives.

Quarterhill's spokespersons as appointed by the Disclosure Committee from time to time are available to shareholders by telephone, fax and e-mail and Quarterhill maintains extensive material of interest to shareholders and investors on Quarterhill's web site at www.Quarterhill.com.

General

The Board shall review and assess the adequacy of this Mandate annually. Nothing in this Mandate is intended, or is to be construed, to impose on any member of the Board a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.