

## ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE

The Environmental, Health and Safety Committee is responsible for:

- reviewing environmental, health and safety regulations;
- annually reviewing the Environmental, Health and Safety Committee mandate and recommending any changes to the Compensation and Corporate Governance Committee;
- supplying for the purposes of this Manual, in consultation with corporate counsel, a list of the laws, rules and regulations that pertain to the operation of the Committee;
- reviewing and approving internal environment and safety policies and emergency response plans;
- reviewing environmental, health and safety risks and ensuring proper management of those risks;
- approving the EH&S Capital, Expense and G&A Budgets which are inclusive of the budgets approved by the Board of Directors.

### Purpose

In fulfilling its legal and fiduciary obligations, the Environmental, Health & Safety Committee's overall purpose is to ensure that the Corporation's policies and procedures meet the obligations of the Board of Directors to achieve regulatory compliance and meet acceptable industry standards with respect to health, safety and environmental matters. This includes review and monitoring on behalf of the Board of Directors matters involving:

- environmental policies and obligations which might arise as a result of the business and operations of the Corporation; and
- the policies and activities of the Corporation as they relate to health, safety and occupational work standards in the workplace in which the Corporation carries on business.

### Composition, Procedures and Organization

1. The Environmental, Health & Safety Committee of the Board of Directors of the Corporation shall be comprised of at least four members of the Board as determined from time to time by resolution of the Board. The Board believes that one member of the committee should be a related director, for their industry knowledge, familiarity with the organization benefits, and the review and decision processes of the committee. As well, the Board believes that because the other three members, including the Chairperson of the committee, are unrelated, the independence of the committee is not compromised.
2. Consistent with the appointment of other Board Committees, the members of this committee shall be elected by the Board at the first meeting of the Board following each annual meeting of the Shareholders of the Corporation or at such other time as may be determined by the Board.
3. The Board shall designate the Chairperson of the Environmental, Health & Safety Committee and if the Board does not do so the members of the Environmental, Health & Safety Committee, by majority vote, may designate a Chairperson.

4. The presence in person or by telephone of a majority of the Environmental, Health & Safety Committee's members shall constitute a quorum for any meeting.
5. All actions of the Environmental, Health & Safety Committee will require a vote of the majority of its members present at a meeting of such Committee, at which a quorum is present.
6. All members of the Environmental, Health & Safety Committee shall be familiar with the environmental, health and safety requirements within the oil and gas industry at the time of their appointment or shall become so within a reasonable period of time following such appointment.
7. The competence of the members of the Environmental, Health & Safety Committee in this regard will be determined by the Board in the exercise of its business judgment.
8. The Environmental, Health and Safety Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, and may engage independent environmental, health and safety consultants and advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Environmental, Health and Safety Committee will notify the President and Chief Executive Officer as well as the Safety Manager whenever independent consultants are engaged.
9. The Environmental, Health and Safety Committee may consider meeting "in camera", without management; after any committee meeting.

### **Accountability and Reporting**

1. The Environmental, Health & Safety Committee is accountable to the Board of Directors of the Corporation.
2. The Environmental, Health & Safety Committee shall provide the Board with a summary of all meetings and of its recommendations, together with a copy of the minutes of each such meeting, and the Chairperson will provide oral reports upon request.
3. All information reviewed and discussed by the Environmental, Health & Safety Committee at any meeting shall be retained and made available for examination by the Board.
4. The Environmental, Health & Safety Committee will review its mandate annually, and will forward to the Compensation and Corporate Governance Committee any recommended alterations to that mandate.
5. Annually, and prior to the Board meeting in respect of year-end financials, the EH&S Committee will provide to the Audit Committee and to the Board its recommendation as to the suitability of the Corporation's Asset Retirement Obligation (ARO) liability in terms of compliance with item 6.4 of the Alberta Securities Commission (ASC), National Instrument 51-101, and "Form 51-101 F-1 Statement of Reserves Data and other Oil and Gas Information", recognizing certain inherent limitations.

## **Meetings**

The Environmental, Health & Safety Committee shall meet at least two times per year or otherwise as may be directed by the Board of Directors or as circumstances warrant. Whenever possible, one of the meetings every third year shall coincide with a field visit at which time all members of the Board will be invited.

Members of the Environmental, Health & Safety Committee and attending officers of the Corporation shall designate a recording secretary for the purposes of recording the minutes of each meeting. A draft of such minutes will be distributed to attendees for review and the finalized minutes will be signed by the Committee Chairperson.

## **Responsibilities**

1. to be informed regarding the nature of environmental, health and safety obligations which might arise as part of the business and operations of the Corporation (this would include the identification and assessment of potential risks and problems and of environmentally and safety sensitive incidents);
2. to be informed regarding the health, safety, loss prevention, waste handling and environmental management regulations and standards of the industry in which the Corporation operates;
3. to ensure the establishment by the Corporation of systems and processes to carry out training in health and safety, loss prevention, environmental requirements, and effective communication amongst the parties involved;
4. to ensure systems and processes are in place to maintain compliance with applicable industry standards and regulations as they exist from time to time;
5. to ensure adequate emergency response plans for regulatory compliance and environmental protection are in place;
6. to receive periodic reports from the appropriate officers and senior management of the Corporation regarding health, safety, loss prevention, environmental training and compliance;
7. to be advised of any matters of failure to comply with health, safety and environmental policies where there may be a significant environmental impact or risk to public health or safety, regulations or standards and to consider and approve remedial action;
8. to consider, review and approve annual environmental, health, and safety budgets which are included in the Budgets approved by the Board and report on same to the Board as a whole;
9. to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities necessary to ensure the Corporation's environmental, health and safety objectives can be met; and,
10. to ensure the Corporation's Asset Retirement obligation (ARO) liability is assessed and presented with reasonable skill, care and diligence in order to be presented in conformance with the requirements of item 6.4 of the Alberta Securities Commission (ASC), National Instrument 51-101, and "Form 51-101 F-1 Statement of Reserves Data and other Oil and Gas Information", recognizing certain inherent limitations.

11. to ensure systems and processes are in place to review the status of the Corporation's inventory of abandoned, suspended and remediation wells/facilities/pipelines and schedule ensures these wells/facilities/pipelines eventually obtain full remediation status and are cleared from the Corporation's responsibility.
12. to review and approve the Safety and Environmental Policies of the Corporation