



## **MANDATE OF THE COMPENSATION AND ENVIRONMENT, HEALTH & SAFETY COMMITTEE (THE “CHARTER”)**

### **Purpose**

The purpose of the Compensation and Environment, Health and Safety Committee (the “Committee”) is to:

- 1) establish a plan of continuity for executives and other key employees;
- 2) ensure a broad plan of executive compensation is established that is competitive and motivating in order to attract, hold and inspire the Executive Management and other key employees;
- 3) take all reasonable steps to ensure that policies and procedures exist in order that the Company meets or exceeds its legal requirements concerning environmental, health and safety practices;
- 4) evaluate environmental, health and safety performance within the Company including that provided by Company contractors;
- 5) ensure that any policy, process or evaluation should enhance the corporate climate goal; “we care about the well being of each other”.

### **Duties and Responsibilities**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board.

- A. The Committee shall, on a quarterly basis, review the organization structure and report any significant organizational changes, along with the Committee’s recommendations, to the Board.
- B. The Committee shall review and, if satisfied, approve annually, or more frequently as required, management’s succession plans for Executive Management, including specific development plans and career planning for potential successors.
- C. The Committee shall develop compensation philosophy and guidelines for Executive Management, for recommendation to the Board for its consideration and approval.
- D. The Committee shall review and fix the compensation of each member of Executive Management, and report its broad conclusions to the Board for its consideration and approval.

- E. The Committee may recommend to the Board for consideration, approval, and establishment by the Board any stock option plan, pension plan or employee benefit plans to be granted to Executive Management and guidelines with respect thereto.
- F. Following the approval of and establishment by the Board of any stock option plan to be available to Executive Management and within any guidelines established by the Board with respect to the granting of stock options to Executive Management, the Committee shall:
  - (i) in conjunction with management, administer the Stock Option Plan as amended by the Board and such other stock option plans as determined and established by the Board to be granted to Executive Management;
  - (ii) review management's recommendations for and, subject to confirmation by the Board, approve the granting of stock options to Executive Management and other key employees of the Company and its subsidiaries;
  - (iii) suggest and review any amendments, which the Committee considers necessary, to the employee stock option plan and make recommendations to the Board with respect to those amendments; provided however, that all amendments to such plans shall be subject to the consideration and approval of the Board.
- H. Subject to the approval of and establishment by the Board of all other employee benefit plans applicable to Executive Management and within any guidelines established by the Board with respect thereto, the Committee shall review and approve benefits to be granted under all employee benefit plans applicable to Executive Management including levels and types of benefits.
- I. Within any guidelines established by the Board with respect thereto, the Committee may consider and make recommendations to the Board for its approval of all matters concerning incentive awards, perquisites and other remuneration matters with respect to Executive Management.
- J. The Committee shall oversee the selection of and terms of reference of outside consultants to review the Executive Management compensation program as appropriate.
- K. Under the authority of the Board, the Committee shall, with respect to Boards of Directors of unrelated corporations which operate for profit and which compensate members of their Boards and/or significant commitments with respect to non-profit organizations;
  - (i) Review a limit on the number of such Boards on which individual members of senior management may participate;
  - (ii) Receive notice of proposed membership by a member of senior management and have a right to object to such membership;

- (iii) If deemed necessary or prudent, confirm in writing to such member of senior management that the Company shall not indemnify the employee's participation on such Board.
- L. The Committee shall, if requested by the Board, lead the process for the retention of senior executives and review the process and report the results of such processes to the full Board.
- M. Review and approve the Compensation Committee Report for publication in the Company's annual information circular.
- N. Assess environmental health and safety philosophy and guidelines which provide direction for the Company and for recommendations for its consideration and approval.
- O. Make recommendations to the Executive Management on policies and procedures relating to Company environmental, health and safety objectives.
- P. Review annually the Company's environmental, health and safety plans, policies, procedures and statistics.
- Q. Review variances and non-compliance issues and ensure appropriate action is taken.
- R. Review and evaluate the need for environmental, health and safety audits on all Company sites.
- S. Assess annually the insurable risks related to environmental issues and evaluate cost/insurance benefits associated with those risks.
- T. Provide guidance and monitor directors' duties and responsibilities related to compensation, environmental, health and safety matters.
- U. Report to the Board quarterly on Committee meetings, audit reports and Company and/or Executive Management or director's risk. In addition, report significant environmental trends and health and safety issues associated with the Industry to the Board.
- V. Review the need to make visits to company facilities to oversee environmental, health and safety objectives.
- W. The Committee shall also have such other powers and duties as delegated to it by the Board.

### **Accountability**

The Committee shall report to the Board of Directors at its regularly scheduled meetings.

The Committee shall review and assess the adequacy of the Committee Charter annually.