



## **MANDATE OF THE HEALTH, SAFETY AND ENVIRONMENT COMMITTEE**

### **Purpose**

The primary function of the Committee is to assist the Board in carrying out its oversight and due diligence responsibilities by reviewing, reporting and making recommendations to the Board on the development and implementation of the policies, standards and practices of Essential with respect to health, safety and the environment.

The objectives of the Committee are as follows:

- (a) To oversee and monitor Essential's compliance with its legal, industry and community obligations pertaining to the areas of health, safety and environment;
- (b) To oversee and monitor management's activities to ensure Essential is establishing appropriate environment, health and safety policies and procedures and maintaining management systems to implement such policies and monitor compliance.

The Committee will also review and/or approve any other matters specifically delegated to the Committee by the Board.

### **Appointment of Committee Members**

Members of the Committee shall be appointed at a meeting of the Board, typically held after election of members to the Board at the annual meeting of shareholders of Essential, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

### **Committee Composition and Operation**

The Committee shall be composed of three Directors or such greater number as the Board may from time to time determine. A majority of the Committee shall be non-employee Directors.

The Committee shall have a Chair ("Committee Chair"), who is a full member of the Committee, and who is appointed by the Board. The Chief Executive Officer ("CEO") and the Board Chair will be available to attend Committee meetings or portions thereof as requested by the Committee.

All members of the Committee shall be generally familiar with health, safety and environmental requirements within the energy services industry, including standard procedures and applicable legislation, at the time of their appointment or shall become so within a reasonable period of time following such an appointment.

The Committee shall have access to such senior management and employees of Essential and to such information respecting Essential, and may engage independent health, safety and environmental consultants and advisors at the expense of Essential, all as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Committee will notify the Chairman of the Compensation and Governance Committee whenever independent consultants are engaged if the dollar amount exceeds \$20,000.

The Committee shall meet at least quarterly and/or as deemed appropriate by the Committee Chair.

The CEO of Essential and senior management responsible for determining the Corporation's health, safety and environmental compliance will be available to attend meetings or portions thereof as requested by the Committee.

The Committee may, by specific invitation, have other resource persons in attendance to assist in the discussion and consideration of matters concerning the health, safety and environmental compliance of the Corporation and related items.

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

Minutes of Committee meetings shall be approved by the Committee and maintained with the Corporation's records by the Corporate Secretary or the designate. Minutes of all Committee Meetings shall be available to all Directors.

### **Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

### **Duties and Responsibilities**

Subject to the powers and duties of the Board, the Committee will perform the following duties:

- (a) The Committee shall have the general authority to investigate any activity of Essential that has an impact on health, safety or the environment. All employees are to cooperate as requested by the Committee.
- (b) The Committee shall have the following duties and responsibilities in relation to environmental matters:
  - (i) to review and monitor the environmental policies and activities of Essential on behalf of the Board to ensure that Essential is, at a minimum, in compliance with environmental laws and legislation;
  - (ii) to recommend actions for developing policies, programs and procedures to ensure that Essential's environmental policies and procedures are being adhered to and achieved;
  - (iii) to review environmental compliance issues and environmentally sensitive incidents to determine, on behalf of the Board, that Essential is taking all

- necessary action in respect of those matters and that Essential has been duly diligent in carrying out its responsibilities and activities in that regard;
- (iv) to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended; and
  - (v) to report regularly and on a timely basis to the Board on matters coming before the Committee relating to environmental policies and activities of Essential for consideration and the manner of disposition.
- (c) The Committee shall have the following duties and responsibilities in relation to employees' health and safety matters:
- (i) to review and monitor the health and safety policies and activities of the Corporation on behalf of the Board to ensure that Essential is, at a minimum, in compliance with applicable laws, legislation and policies as they relate to the health and safety of Essential's employees in the workplace;
  - (ii) to oversee the development of policies, programs and procedures and to ensure that the principles set out in Essential's policies related to the health and safety of its employees in the workplace are being adhered to and achieved;
  - (iii) to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended;
  - (iv) to report on a timely basis and at least annually to the Board on health and safety issues and on the state of compliance with applicable laws and legislation and adherence to the policies of Essential; and
  - (v) to promote a safety conscious culture.
- (d) Do such other things within the scope of its responsibilities as it may, in its discretion, deem appropriate.
- (e) The Committee shall conduct an annual review and assessment of its performance and its mandate, including compliance with its mandate, and its role, duties and responsibilities, and submit such report, including recommending changes to the Committee's mandate, to the Board of Directors.

### **Accountability**

The Committee shall report its activities and proceedings to the Board by distributing the minutes of its meetings and/or by oral or written report to the Board.

### **Standards of Liability**

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in this mandate are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

### **Committee Timetable**

The major activities of the Committee with respect to scheduled meetings will be outlined in an annual schedule.

### **Quorum**

A majority of Committee members, present in person, by video conference, by telephone, by other electronic or communication facility or by a combination thereof, shall constitute a quorum.

### **Minutes**

At each meeting, the Committee shall appoint a recording secretary to take the minutes of the meeting. Minutes of Committee meetings shall be sent to all Committee members and to the Chief Executive Officer of the Corporation.

## **TERMS OF REFERENCE FOR THE HEALTH, SAFETY AND ENVIRONMENT COMMITTEE CHAIR**

### **Introduction**

The Chair is appointed annually by and reports to the Board.

The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities.

The Chair works with the Board Chair and the Corporate Secretary of the Corporation to ensure effective relations with Committee members.

The Chair maintains ongoing communications with the President and Chief Executive Officer and with other Officers and/or members of management of the Corporation as the Chair determines appropriate.

### **Duties and Responsibilities**

#### ***Working with the Corporation***

- (a) The Chair has the responsibility to:
  - (i) lead the Committee in overseeing management's formulation and implementation of policies, standards and practices with respect to health, safety and environment;
  - (ii) lead the Board in assessing (i) the performance of the Corporation and senior management with regard to health, safety and environmental matters, and (ii) the Corporation's compliance with and adherence to said policies and procedures; and
  - (iii) report to the Board after each Committee meeting.

#### ***Managing the Committee***

- (b) The Chair has the responsibility to:
  - (i) ensure the Committee is alert to its obligations to the Board and pursuant to law;
  - (ii) chair Committee meetings;
  - (iii) establish the frequency of Committee meetings and review such frequency from time to time, as considered appropriate (provided,

however, that Committee meetings shall be called by the Chair at the request of two members of the Committee);

- (iv) assist the Board in its recommendation of Committee members and its review of the performance and suitability of the Committee members;
- (v) ensure the co-ordination of the agenda, information packages and related events for Committee meetings in conjunction with the HSE management;
- (vi) maintain a liaison and communication with Committee members, other directors and the Board Chair to co-ordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- (vii) in collaboration with HSE management, ensure information requested by Committee members is provided and meets their needs; and
- (viii) in conjunction with the Compensation and Governance Committee, review and assess Committee attendance, performance, and compensation and the size and composition of the Committee.