



MANDATE

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY COMMITTEE

September 2017

MANDATE
SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY COMMITTEE
of the BOARD OF DIRECTORS
NALCOR ENERGY

I. PURPOSE

The Safety, Health, Environment and Community (“**SHEC**”) Committee (the “**Committee**”) shall assist the Board of Directors of Nalcor Energy (the “**Board**”) by providing oversight of safety, health, environment and community issues for Nalcor Energy (the “**Corporation**”) and its subsidiaries with the exception of Churchill Falls (Labrador) Corporation Limited (“**CFLCo**”) (collectively, the “**Corporate Group**”). The Committee shall ensure Management has developed and implemented a consistent SHEC philosophy, framework and policies across the Corporate Group. Individual SHEC committees may exist in each subsidiary with specific accountability for providing oversight of SHEC matters on behalf of the individual boards.

II. CONSTITUTION

1. The Committee shall have at least three members who shall be appointed to the Committee by the Board. All Committee members shall be members of the Board, none of whom shall be an officer or employee of the Corporate Group or CFLCo, and all of whom shall be free from any relationship that, in the opinion of the Board, could interfere with the exercise of his or her independent judgment as a member of the Committee.
2. The Board shall appoint a Chair of the Committee from among the Committee members. If the Chair is not present at any meeting of the Committee, the Chair of the meeting shall be chosen from among the members present.
3. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director of the Corporation.
4. In the event of any vacancy which results in less than three members of the Committee, the Board shall fill such vacancy in a reasonable time from among the directors of the Corporation.
5. The Chair presiding at any Committee meeting shall have a vote in all matters considered by the Committee.
6. The Corporate Secretary of the Corporation or designate shall be the Secretary of the Committee.

III. MEETINGS AND MINUTES

7. A majority of members shall constitute a quorum for all meetings of the Committee. The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present, in person or by telephone or other electronic means, or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.
8. The Committee shall meet as frequently as it determines necessary but not less than twice per year.
9. At each meeting of the Committee, an opportunity shall be provided for its members to have an in camera session.
10. The Committee may invite such officers, directors and employees of the Corporate Group and external consultants and auditors as it may see fit, to attend its meetings and to take part in the discussions and consideration. The Committee shall have the right at all times to determine who shall and shall not be present at any or part of the meetings of the Committee.
11. The Manager of Environmental Services and the Manager of Safety shall have the right to directly communicate with the Chair of the Committee concerning any significant environmental, health or safety matter as well as the opportunity to meet in private with the Committee at each meeting.
12. A draft copy of the minutes of a meeting shall be circulated to the members of the Committee within a reasonable time following conclusion of the meeting. All minutes approved by the Committee shall be signed by the Secretary of the meeting and the Chair of the Committee.
13. All recommendations, decisions and directives of the Committee shall be duly recorded by the Secretary in the minutes of the meeting.
14. A written or verbal report on any meetings of the Committee shall be made by the Chair or designate of the Committee at a subsequent meeting of the Board.

IV. SCOPE, DUTIES AND RESPONSIBILITIES

The SHEC Committee shall have the following specific functions, duties and responsibilities and make recommendations to the Board with respect to:

15. Review and report to the Board on the Corporate Group's maintenance of safety, environment and health policies, procedures and practices and in the conduct of its

operation, directed to prevent injury to its employees, the public and the environment.

16. Review with Management whether the Corporate Group's safety, environment and health policies are being effectively implemented and in compliance with statutory and regulatory requirements and report to the Board, at least annually, on the Corporate Group's compliance with current industry, legislative, regulatory and corporate standards for safety, environmental and health.
17. Review the findings of reports arising from internal and external audits and assessments to safety, environment and health issues, together with Management's response thereto and oversee to ensure that there is an agreed course of action leading to the resolution of any concerns, deficiencies or outstanding issues and timely follow-up on any unresolved matters.
18. Review with Management the impact of proposed legislation in matters of safety, environment and health on the operations of the Corporate Group and make recommendations to the Board on the appropriate responses and action for the Corporate Group.
19. Review and as necessary report to the Board the Corporate Group's safety and environmental emergency response planning policies and procedures.
20. Review and approve annually the safety and environmental audit plans by the Corporate Group and external auditors and review of annual Corporate safety performance and Corporate environmental report.
21. Review with Management and make recommendations to the Board as appropriate on the Corporate Group's safety, environment, health and community programs, policies and procedures and any other matters relating to safety, environment, health and community that it considers relevant.
22. Review with Management annually the three-year Corporate Reputation Plan and annual reputation priorities.
23. Review and approval of the appointment, compensation and retention of external safety and environment auditors.
24. Meet with the Vice-President/Manager responsible at least annually to review safety, environmental, health or reputation matters that could have a material impact on the Corporation's reputation, business or financial position and report to the Board thereon in a timely manner.

25. The Committee shall perform such other duties as may be necessary or appropriate under applicable law or as may be delegated to the Committee by the Board from time to time.

V. GENERAL

26. The Committee shall have full, free and unrestricted access to management, employees and relevant information.

27. Subject to Board approval, the Committee shall have the authority to retain legal counsel, consultants or other advisors, with respect to any issue or to assist in fulfilling its responsibilities.

28. The Committee shall conduct an annual review and assessment of its performance, including a review of its compliance with this Mandate.

29. The Committee shall review and assess the Mandate as necessary taking into account all legislative and regulatory requirements applicable to the Committee as well as any best practice guidelines.