



## ENVIRONMENT, HEALTH & SAFETY AND RESERVES COMMITTEE

### CHARTER

#### I. ROLE AND OBJECTIVE

The Environment, Health & Safety and Reserves Committee (the "**Committee**") is a committee of the board of directors (the "**Board**" or the "**Board of Directors**") of Sinopec Canada and its Canadian affiliates (Sinopec Canada Energy Ltd., Sinopec Daylight Energy Ltd., SinoCanada Petroleum Corporation and 1527203 Alberta Ltd.) (collectively, "**Sinopec Canada**" or the "**Company**") to which the Board has delegated its responsibility for oversight by reviewing, reporting and making recommendations to the Board of Directors on the development and implementation of the policies, standards and practices of the Company with respect to: (a) health, safety and the environment; and (b) the matters set forth herein National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), as amended, supplemented or replaced from time to time, to the extent applicable to the Company, and any other legal requirements relating to reserves disclosure applicable to the Company. The objectives of the Committee, with respect to the Company, are as follows:

1. To assist the Board and Sinopec Canada in meeting their responsibilities in respect of their legal, regulatory, industry and community obligations pertaining to the areas of health, safety and the environment.
2. To assist the Board and Sinopec Canada in meeting their responsibilities in respect of establishing appropriate environment, health and safety policies and procedures, including emergency response planning, and maintaining management systems to implement such policies and monitor compliance.
3. To assist the Board and Sinopec Canada in ensuring proper reporting and compliance with respect to the Sinopec Canada's reserves under NI 51-101.

#### II. MANDATE AND RESPONSIBILITIES OF COMMITTEE - ENVIRONMENT, HEALTH AND SAFETY

1. Review of Sinopec Canada's internal control systems in the areas of health, safety and environment and Sinopec Canada's strategies and policies regarding health, safety and the environment, including any emergency response plan.
2. Review and recommend to the Board for approval the fundamental policies pertaining to health, safety and the environment having the potential to impact Sinopec Canada's activities and strategies.
3. Review and report to the Board:
  - a) on Sinopec Canada's performance with all applicable laws, regulations and Sinopec Canada's policies with respect to health, safety and the environment on a quarterly basis;
  - b) on emerging trends, issues and regulations related to health, safety and the environment that are relevant to Sinopec Canada;

- c) the findings of any significant report by regulatory agencies, external health, safety and environmental consultants or auditors concerning Sinopec Canada's performance in health, safety and the environment and any necessary corrective measures taken to address issues and risks with regards to Sinopec Canada's performance in the areas of health, safety and the environment that have been identified by Sinopec Canada, external auditors or by regulatory agencies; and
  - d) the results of any review with management, outside accountants, external consultants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities or decommissioning of facilities.
4. Perform any other activities consistent with this Mandate as the Committee or the Board deems necessary or appropriate.

### III. MANDATE AND RESPONSIBILITIES OF COMMITTEE - RESERVES

The Committee shall have the general responsibility of overseeing the evaluation of Sinopec Canada's petroleum and natural gas reserves, including the retention of one or more qualified reserves evaluators or auditors as the Committee considers necessary or appropriate in the circumstances.

The Committee's general responsibilities shall be:

1. To discuss and review with management of Sinopec Canada the selection of the engineering firm which is qualified to prepare a report (the "Report") of an evaluation of Sinopec Canada's "reserves data" (as defined in NI 51-101) to the extent deemed necessary or appropriate by the Committee.
2. To review, with reasonable frequency, Sinopec Canada's procedures relating to the disclosure of information with respect to "oil and gas activities" (as defined in NI 51-101) including its procedures for complying with disclosure requirements and restrictions of NI 51-101 as applicable.
3. To review the appointment of the engineering firm (to the extent applicable) and, in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been any disputes between the engineering firm and management of Sinopec Canada.
4. To review, with reasonable frequency, the Company's procedures for providing information to the engineering firm for the purposes of NI 51-101.
5. To receive the Report and consider the principal assumptions upon which it is based.
6. To consider and review management's input into the Report and the key assumptions used therein.
7. To present a verbal or written report (the "Committee Report") to the Board of the results of such review and to recommend whether the Report should be accepted by the Board as Sinopec Canada's evaluation of its "reserves data".
8. Prior to presenting the Committee Report to the Board the Committee may:
  - a) Consider the expertise of the engineering firm;
  - b) Meet with representatives of the engineering firm and management of Sinopec Canada to discuss the Report; and

- c) Hold an *in camera* meeting (i.e., without the presence of management of Sinopec Canada) with representatives of the engineering firm to discuss the Report, and to ask such questions as the Committee deems necessary or appropriate, which questions may, without limitation, include the following:
- i) the scope of the engineering firm's engagement by Sinopec Canada and, in particular, any restrictions thereon;
  - ii) the details of any relationship which the Engineering Firm has with Sinopec Canada that may affect or might be viewed as affecting its independence;
  - iii) the process followed by the engineering firm in conducting its reserve analysis;
  - iv) the sources of information for the Report;
  - v) whether the engineering firm has any reason to think that any of the information provided to it was not accurate or correct;
  - vi) whether the engineering firm had access to all information it thought relevant to complete its engagement;
  - vii) review and discussion of the price and cost forecasts used in the Report and whether the assumptions used would still be current;
  - viii) discussion of the assumptions made regarding oil and gas marketing and whether the Engineering Firm still considers these assumptions to be reasonable;
  - ix) discussion of the reserve additions and reserve revisions which occurred from the previous report of Sinopec Canada 's reserves to that of the Report and the reasons for such revisions;
  - x) consideration of future net revenues, operating costs, working interests, royalty burdens, required capital expenditures and timing, recovery rates and decline rates;
  - xi) whether the engineering firm considered it necessary to carry out any on-site inspections as part of its reserve analysis; and
  - xii) what levels of oil and gas production were assumed in the Report and whether the engineering firm had access to information since the date of the Report which allows it to confirm or disaffirm the production profiles and other aspects of the Report since the date of the Report.

9. In reviewing the Report, meeting with representatives of the Engineering Firm and presenting the Committee Report to the Board, be entitled to retain, and rely upon, the advice of outside experts.

10. To do such other things within the scope of its responsibilities as it may, in its discretion, deem appropriate.

#### IV. COMPOSITION

1. This Committee shall be composed of at least three individuals appointed by the Board from amongst its members. The Committee shall appoint one member as Committee Chair.
2. The Corporate Secretary to the Board or such other person designated by the Committee Chair shall act as Secretary of the Committee.

3. A quorum shall be a majority of the members of the Committee.

**V. MEETINGS**

1. Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.
2. Minutes of each meeting shall be prepared by the Secretary to the Committee or such other person as may be designated by the Committee Chair.
3. The Chief Operating Officer or his designate shall be available to attend at all meetings of the Committee upon the invitation of the Committee.

**VI. REPORTING / AUTHORITY**

1. Following each meeting, the Committee will report to the Board at the next Board meeting after a meeting is held or a report from the Chair or another member of the Committee.
2. Supporting schedules and information reviewed by the Committee shall be available for examination by any member of the Board.
3. The Committee shall have the authority to investigate any activity of Sinopec Canada that has an impact on health, safety or the environment and reserves. All employees are to cooperate as requested by the Committee.
4. The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of Sinopec Canada.