

Environmental, Social and Governance Committee Terms of Reference

A) PURPOSE

The purpose of the Environmental, Social and Governance Committee (the "Committee") is:

- (i) to provide a focus on Corporate governance;
- (ii) to assess, and where appropriate approve or make recommendations regarding, corporate values and the elements which will facilitate Board effectiveness; and
- (iii) to oversee, review, report and make recommendations on policies, programs, practices, procedures and performance with respect to corporate responsibility including the environment.

For the purposes hereof "Corporate responsibility" includes the general commitment areas of sustainable value creation, business ethics, equality rights, diversity, Indigenous issues, employment equity, labour practices, environment, privacy, official languages, stakeholder engagement, socio-economic and community development and any other area that could impact the goodwill, image, reputation or brand of the Corporation.

B) DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board assigns to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

GOVERNANCE

- (1) Review governance best practices and regulatory developments related to governance in Canada on a continuous basis, taking into account any Federal Government requirements, and recommend to the Board enhancements to the Corporation's system for corporate governance;
- (2) Advise the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any of the committees of the Board and recommend to the Board those reports on corporate governance which it determines to be of benefit to the Board;
- (3) Oversee the annual discussion of long-term and strategic planning of the Corporation;
- (4) Annually approve proposed wording of a statement for the Corporation's Annual Report describing the Corporation's approach to corporate governance;
- (5) Annually review and recommend the Annual Slate of Directors for CPC Subsidiaries and provide oversight regarding the governance structure of each of the subsidiaries. The Board will be informed, at its next meeting, of any appointment made by the Chair of the Committee and the President and Chief Executive Officer before a scheduled meeting;

BOARD EFFECTIVENESS

- (6) Develop and recommend to the Board a self-evaluation process for the Board and its committees and the evaluations at least every two years;
- (7) Review with the Board, on a regular basis, but not less than every two years, the role of the Board and the terms of reference for the committees of the Board with a view to maximizing their effectiveness;
- (8) Review with the Board, as required, the methods and the processes by which the Board fulfils its duties and responsibilities, including without limitation:
 - a) the number and content of meetings and the annual schedule of significant issues to be presented to the Board of Directors or its committees;
 - b) resources and material which is to be provided to the Directors generally and with respect to meetings of the Board and its committees; and
 - c) the communication process between the Board and Management.
- (9) Review the orientation program for new Directors and on-going development of existing Board members;
- (10) Review biannually, and as required,:
 - a) competencies, skills and personal qualities of the Board members, Board Chair and President and Chief Executive Officer; and
 - b) the appointment dates of the Board members, Board Chair and President and Chief Executive Office and determine timing to discuss appointments with the Shareholder.

STANDARDS OF INTEGRITY

- (11) In consultation with the President and Chief Executive Officer:
 - a) review the moral and ethical standards of the Corporation to ensure that Management has identified the values that determine acceptable behaviour and has put in place a process that assures that values are reflected in actions taken; and
 - b) perform a regular review of the Corporation's foregoing moral and ethical policies/practices;
- (12) Perform a regular review of the Corporation's Standard of Conduct for Directors, recommend to the Board any changes if required, and report any issues regarding compliance with the Standard;

CORPORATE RESPONSIBILITY

- (13) Review and make recommendations to the Board for improvements to fundamental policies, programs, practices and procedures pertaining to Corporate responsibility;

- (14) Receive reports on the compliance with Corporate responsibility policies, programs, practices, procedures and applicable legislation, and report to the Board any significant matter;
- (15) Advise the Board of any Corporate Responsibility issues which the Committee determines ought to be considered by the Board or any of the committees of the Board and recommend to the Board those reports on Corporate Responsibility which it determines to be of benefit to the Board;

GENERAL

- (16) Review the engagement of any independent counsel and advisors, by a committee or an individual Director at the expense of the Corporation;
- (17) Meetings of the Committee:
 - a) meet regularly, not less than twice a year, and at such other times as may be requested by the Chair of the Committee;
 - b) the Chair of the Committee shall set the agenda and the annual Timeline (“Workplan”) which shall then be circulated among the Committee members. Ordinarily the Chair of the Committee will set the agenda in consultation with the Corporate Secretary; and
 - c) the President and Chief Executive Officer shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with members of senior management or only with members of the Committee;
- (18) Periodically review these terms of reference to ensure they continue to be appropriate and, as deemed necessary, make recommendations to the Board for improvement; and
- (19) Perform such other functions as assigned by law, the Corporation's By-laws, or the Board.

Effective: 22 August 2019