

## **HIGH ARCTIC ENERGY SERVICES INC.**

### **QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE** **TERMS OF REFERENCE**

#### **1. Constitution**

Pursuant to the by-laws of High Arctic Energy Service Inc. (the “**Corporation**”) and annual resolutions of the Board of Directors of the Corporation (the “**Board**”) and in intended compliance with applicable corporate and securities laws and the requirements of each stock exchange upon which securities of the Corporation are traded, there is hereby constituted, as a standing committee of the Board, a committee designated as the “Quality, Health, Safety and Environmental Committee” (the “**Committee**”) which Committee is delegated the powers and subject to the terms of reference hereinafter set forth.

#### **2. Mandate**

The mandate of the Committee shall be to monitor and make recommendations with respect to the quality, health, safety and environmental policies, practices and procedures of the Corporation and its subsidiaries (collectively, “**High Arctic**”).

#### **3. Organization and Operation**

- (1) The Committee shall be comprised of a minimum of two (2) members of the Board and the CEO.
- (2) A majority of the members of the Committee shall be “independent directors” as such term is defined from time to time pursuant to the Governance Guidelines of the Toronto Stock Exchange and National Policy 58-201.
- (3) The Committee shall have the power to appoint its chairman.
- (4) Any member of the Committee may call a meeting of the Committee upon not less than 48 hours’ notice to the other members of the Committee.
- (5) The Committee shall meet at least quarterly.
- (6) A quorum for meetings of the Committee shall be a majority of its members.
- (7) Questions arising at any meeting of the Committee shall be decided by a majority of the votes cast.
- (8) The rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board or as otherwise provided in the by-laws of the Corporation.

- (9) Except as set forth herein, the Committee may determine its own rules of procedure.

#### **4. Duties and Responsibilities**

Except as specifically authorized by the Board, the Committee's authority is limited to formalizing recommendations and submitting them to the Board for approval.

##### ***Environmental***

The Committee shall at least annually, review the overall environmental performance of High Arctic and shall, with respect to environment matters:

- (1) Review at least annually and recommend to the Board, for approval, necessary changes in or the appropriateness of the policy guidelines in place to administer High Arctic's environmental programs, its environmental incident management and reporting processes, and its remedial action policies in the context of competitive, legal and operational considerations;
- (2) Receive quarterly reports on environmental incidents, the nature and extent of compliance with environmental policies, standards and applicable legislation, the nature and extent of non-compliance together with the reasons therefore, and the plan and timetable to correct deficiencies. The Committee shall subsequently report to the Board on the status of such matters;
- (3) Review quarterly with management and legal counsel any civil and criminal environmental proceedings, claims or other contingency that could have a significant effect on High Arctic and report to the Board on the status of such matters;
- (4) Review and report to the Board quarterly on High Arctic's state of readiness to respond to environmental crisis situations; and
- (5) Review such other environmental matters as from time to time the Committee may consider suitable or the Board may specifically direct.

##### ***Health and Safety***

The Committee shall annually review the overall health and safety performance of High Arctic and shall, with respect to all these matters:

- (1) Review at least annually and recommend to the Board, for approval, any necessary changes in, and the appropriateness of the policy guidelines in place to administer health and safety policies, standards, accountabilities and programs for High Arctic in the context of competitive, legal and operational considerations;

- (2) Receive quarterly reports on health and safety incidents and the nature and extent of compliance with health and safety policies, standards and applicable legislation, and orders imposed on High Arctic under that legislation, as well as the nature and extent of non compliance together with the reasons therefore, and report to the Board on the status of such matters;
- (3) Review and report to the Board, quarterly, on High Arctic's state of readiness to respond to health and safety crisis situations; and
- (4) Review such other health and safety matters as from time to time the Committee may consider suitable or the Board may specifically direct.

#### ***Other Duties and Responsibilities***

The responsibilities, practices and duties of the Committee outlined herein are not intended to be comprehensive. The Board may, from time to time, charge the Committee with the responsibility of reviewing other items of a quality, health, safety and environmental nature.

The Committee shall periodically report to the Board all decisions taken in exercising the powers conferred herein and the results of reviews undertaken and any associated recommendations.

### **5. Authority**

The Committee shall have all power and authority necessary or desirable to fully and effectively discharge its mandate hereunder and, in that connection and without limitation, the Committee may:

- (1) Investigate any activity, in any area, that the Committee considers necessary or advisable, and, for such purposes and the performance of its other responsibilities, the Committee shall have unrestricted access to personnel and records of High Arctic and advisors to High Arctic;
- (2) Make any recommendation to the Board, as it considers necessary advisable, in respect of matters within its mandate, provided however that where the Committee intends to make any such recommendation and
- (3) Engage and obtain the advice of outside advisors if necessary to properly discharge its functions, duties and responsibilities.

### **7. Limitation**

The foregoing is (i) subject to and without limitation of the requirement that in exercising their powers and discharging their duties the members of the Board act honestly and in good faith with a view to the best interests of the Corporation; and (ii) subject to and not in expansion of the requirement that in exercising their powers and discharging their

duties the members of the Board exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.