

## **The Environmental, Health, Safety & Sustainable Development (EHS&SD) Committee**

The by-laws of Suncor Energy Inc. provide that the Board of Directors may establish Board committees to whom certain duties may be delegated by the Board. The Board has established, among others, the EHS&SD Committee, and has approved this mandate, which sets out the objectives, functions and responsibilities of the EHS&SD Committee.

### **Objectives**

The EHS&SD Committee assists the Board of Directors by:

- Monitoring the effectiveness and integrity of the Corporation's internal controls as they relate to operational risks of the corporations physical assets and matters of environment, health, safety and sustainable development.
- Monitoring the adequacy and effectiveness of the Suncor Operational Excellence Management System (OEMS) and related business processes.
- Reviewing the effectiveness of auditors in the Operations Integrity Audit Department.
- Approving on behalf of the Board of Directors certain physical asset integrity and EHS&SD matters as delegated by the Board, including the matters outlined in this mandate.
- Reviewing and formulating recommendations to the Board of Directors with respect to the Corporation's strategies and policies pertaining to the environment, health, safety and sustainable development.

The Committee does not have decision-making authority, except in the very limited circumstances described herein or where and to the extent that such authority is expressly delegated by the Board of Directors. The Committee conveys its findings and recommendations to the Board of Directors for consideration and, where required, decision by the Board of Directors.

### ***Constitution***

The Terms of Reference of Suncor's Board of Directors set out requirements for the composition of Board Committees and the qualifications for committee membership, and specify that the chair and membership of the committees are determined annually by the Board. As required by Suncor's by-laws, unless otherwise determined by resolution of the Board of Directors, a majority of the members of a committee constitute a quorum for meetings of committees, and in all other respects, each committee determines its own rules of procedure.

### **Functions and Responsibilities**

The EHS&SD Committee has the following functions and responsibilities:

***Internal Controls***

1. Inquire as to the adequacy of the Corporation's system of internal controls as they relate to the operational risks posed by or to the corporation's physical assets and review the results of evaluations of internal controls by the operations integrity auditors. This includes inquiry as to the adequacy and effectiveness of OEMS and related business processes.
2. Monitor regulatory regimes and emerging trends or issues pertaining to the environment, health, safety and sustainable development which are relevant to the Corporation and its stakeholders and assess external stakeholder issues, risks and company positioning.
3. Review the findings of any significant examination by (i) regulatory agencies; and (ii) external auditors; concerning the Corporation's physical assets, the environment, health, safety and sustainable development matters.
4. Review quarterly, annual and other management reports to the Committee or the Board of Directors with respect to the Corporation's operational risks, the environment, health, safety and sustainable development performance and issues.

***External and Internal Auditors***

5. Initiate and approve the engagement, review the performance and decide on termination of the external auditors to be utilized for oversight of the corporate operations integrity audit program(s).
6. Review the audit scope and approach of the external auditors, and approve their terms of engagement and fees.
7. Review and approve the appointment or termination of the Head of Operations Integrity Audit, annually review a summary of the remuneration of the Head of Operations Integrity Audit, and periodically review the performance and effectiveness of the Operations Integrity Audit function including compliance with The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and compliance with ISO 19011.
8. Review the Operations Integrity Audit Department Charter, the annual audit plans, activities, organisational structure and qualifications of the internal auditors, and monitor the department's performance and independence.
9. Provide direct and unrestricted access by management and the Operations Integrity Auditors to the Board of Directors.

***EHS&SD Reporting and other Public Disclosure***

10. Review the Corporation's Report on Sustainability, including the disclosure on lobbying and carbon risk, on an annual basis, prior to public dissemination.
11. Review with legal counsel any legal matters having a significant impact on the EHS&SD reports.

***Risk Management***

12. Periodically review the policies and practices of the Corporation respecting operational risks as they relate to physical asset integrity, reliability and environmental, health and safety, including process safety.

13. Assess the risks and impacts of EHS&SD issues on the Corporation's current business and growth plans.
14. Monitoring behaviour and competency within Suncor on EHS&SD matters.
15. Review significant incidents, and the efficacy of the associated root cause investigations.
16. Monitor operational risks and controls as they relate to Suncor's reputation.
17. Conduct periodic review of and provide oversight on the specific Suncor Principal Risks which have been delegated to the Committee for oversight.

***EHS&SD Strategies and Policies***

18. Conduct reviews of key EHS&SD issues and strategies to address them.
19. Review and assess impacts of emerging legislation and regulations related to EHS&SD responsibilities of the company.
20. Review any change in the Corporation's EHS&SD policies.

***Other Matters***

21. Conduct any independent investigations into any matters which come under its scope of responsibilities.
22. Review and/or approve other Asset Integrity / EHS&SD matters delegated specifically to it by the Board of Directors.

***Reporting to the Board***

23. Report to the Board of Directors on the activities of the Committee with respect to the foregoing matters as required at each Board meeting and at any other time deemed appropriate by the Committee or upon request of the Board of Directors.

*Approved by resolution of the Board of Directors on November 17, 2015.<sup>1</sup>*

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<sup>1</sup> Previously approved by resolution of the Board of Directors on November 19, 2014.