



## CRIUS ENERGY ADMINISTRATOR INC. GOVERNANCE, NOMINATION & COMPENSATION COMMITTEE CHARTER

### 1. GENERAL

Crius Energy Administrator Inc. (the "**Administrator**") is the administrator of Crius Energy Trust (the "**Trust**") and as such, the board of directors of the Administrator (the "**Board**") is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiary entities (collectively, with the Administrator and the Trust, the "**Crius Group**"), for the benefit of the unitholders of the Trust (the "**Unitholders**"). The Board has established the Governance, Nomination & Compensation Committee (the "**Committee**") to develop and monitor the approach of the Crius Group to matters of corporate governance; to identify and recommend individuals for nomination as members of the Board and its committees; and to review, approve and make recommendations to the Board in all matters pertaining to the compensation of executive officers of the Corporation and the Board, all in accordance with the mandate and terms and conditions set forth in this Charter. The Committee will also fulfill any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

The Committee is responsible for: (i) ensuring that the mission and strategic direction of the Crius Group is reviewed annually; (ii) ensuring that the Board and each of its committees carry out its functions in accordance with due process; (iii) assessing the effectiveness of the Board as a whole, each committee of the Board, and the contribution of each individual director of the Administrator; (iv) addressing governance issues; (v) the Crius Group's human resources and compensation policies and processes; (vi) identifying, recruiting, endorsing, recommending the appointment of, and orienting new directors of the Administrator; and (vii) reviewing and making compensation related recommendations and determinations regarding senior executives and directors; and (viii) the Company's human resources and compensation policies and processes.

The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including administrative support. If determined necessary by the Committee, it will have the discretion to investigate and conduct reviews of any governance or human resource or compensation matter including the standing authority to retain experts and special counsel, with approval of the Board.

### 2. COMPOSITION OF THE COMMITTEE

- A. The Committee shall consist of a minimum of three directors of the Administrator. The Board shall appoint the members of the Committee. The Board shall appoint one member of the Committee to be the chair of the Committee (the "**Chair**"). A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.
- B. Each director of the Administrator appointed to the Committee by the Board shall be "independent" as contemplated in NI 58-101. An independent director is a director of the Administrator who is independent of management of the Crius Group and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Trust, other than interests and relationships arising from security holdings. In determining whether a director of the Administrator is independent of management of the Crius Group, the Board shall make reference to the then current legislation, rules, policies, instruments of applicable regulatory authorities and research papers and commentary concerning best practices in corporate governance.

### 3. MEETINGS OF THE COMMITTEE

- A. The Committee shall convene at such dates, times and places as may be designated or approved by the Chair whenever a meeting is requested by the Board, a member of the Committee, the Chief Executive Officer (the "**CEO**") or a senior executive of the Administrator. The Committee shall convene a minimum of four times per year.

- B. Notice of each meeting shall be given to each member of the Committee, the CEO and all other persons the Committee determines should be provided with notice of the meeting who shall attend whenever requested to do so by a member of the Committee.
- C. Notice of a meeting of the Committee shall:
  - i. be in writing;
  - ii. state the nature of the business to be transacted at the meeting in reasonable detail;
  - iii. to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - iv. be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- D. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of its members. However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.
- E. Any member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at the meeting.
- F. In the absence of the Chair, the members of the Committee shall choose one of the members present to be chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- G. Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting.
- H. Minutes of Committee meetings will be sent to all Board members and relevant executive and management staff. Reports on the conduct of the meetings will be made to the Board.

#### 4. COMMITTEE RESPONSIBILITIES

The Committee's primary responsibilities are to assist the Board with the following:

- A. the selection retention, adequacy and form of the compensation of senior management of the Crius Group (the "**Senior Management Group**");
- B. professional development for the Senior Management Group;
- C. the Crius Group's overall approach to governance;
- D. the size, composition and structure of the Board and its committees;
- E. orientation and continuing education for directors of the Administrator;
- F. related party transactions and other matters involving conflicts of interest;
- G. the Administrator's code of business conduct and ethics, including monitoring compliance with the Administrator's code of business conduct and ethics;

- H. the Trust's written Whistleblower Policy, Disclosure Policy and Confidentiality and Insider Trading Policy (these documents are collectively referred to as the "**Policies**");
- I. the Crius Group's human resources and compensation policies and processes;
- J. reviewing directors and officers of the Administrator's third party liability insurance proposals and coverage; and
- K. any additional matters delegated to the Committee by the Board.

## **5. DUTIES**

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law, including National Instrument 58-201 – *Corporate Governance Guidelines*, or delegated to the Committee from time to time by the Board.

### **5.1 Senior Management Group Selection, Retention and Succession Planning**

The Committee will review the Crius Group's organizational structure, consider policies and principles for the selection and retention of the Senior Management Group and succession planning for the Senior Management Group. The Committee will consider compensation policies and principles as they relate to the selection of the Senior Management Group.

### **5.2 Employment Agreements and Severance Arrangements**

The Committee will approve employment agreements, severance arrangements and any changes to contractual agreements and provisions, including benefit payments and change of control payments, for all members of the Senior Management Group.

### **5.3 Senior Management Group Development**

The Committee will review and monitor executive development programs, including training and retention programs for members of the Senior Management Group and the practices used to evaluate members of the Senior Management Group.

### **5.4 Board Size, Composition and Structure**

The Committee will examine the size of the Board from time to time and recommend to the Board a size that facilitates effective decision making. In addition, and taking into consideration the recommended size of the Board, the Committee will recommend the number of Board positions to be filled by independent directors of the Administrator, which in most instances will be a majority of the members of the Board.

The Committee will review the overall composition of the Board, taking into consideration such factors as business experience and specific areas of expertise and competency of each director of the Administrator, and make recommendations to the Board as it determines appropriate.

The Committee will evaluate from time to time whether the necessary and appropriate committees exist to support the work of the Board and will make recommendations to the Board, as necessary and appropriate for the reorganization of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines appropriate.

## **5.5 Evaluation of the Chief Executive Officer**

The Committee will have direct responsibility for:

- A. developing a position description for the CEO, setting out the CEO's authority and responsibilities, and present the same to the board;
- B. reviewing and approving the goals and objectives that are relevant to the CEO's compensation;
- C. evaluating the CEO's performance in meeting his or her goals and objectives in connection with the achievement of the company's business plan;
- D. making specific recommendations to the board with respect to the CEO's compensation based on the evaluation referred to above, compensation paid to chief executive officers and senior management in comparable organizations and the company's performance and relative shareholder return;
- E. recommending to the board remedial action where necessary; and
- F. reviewing any executive compensation disclosure prior to it being publically disclosed by the company.

## **5.6 Director Qualifications**

The Committee will make recommendations to the Board with respect to the preferred experience and qualifications for new directors of the Administrator to be elected by Unitholders of the Trust which will reflect, among other things:

- A. competencies, skills and personal qualities that the Board considers to be necessary for the Board, as a whole to possess;
- B. competencies and skills that the Board considers each existing director of the Administrator to possess;
- C. competencies, skills and personal qualities that each new director of the Administrator would bring to the Board; and
- D. responsibilities that would materially interfere with or be incompatible with Board membership.

## **5.7 Board Succession**

The Committee will develop and recommend to the Board a succession plan for the Board that is responsive to the Crius Group's needs and the interests of the Trust's Unitholders.

## **5.8 Candidates for Board Membership**

The Committee will recommend to the Board a list of candidates for nomination for election to the Board at each annual meeting of the Trust's Unitholders. In addition, as the need arises, it will identify and recommend to the Board new candidates for Board membership. In making its recommendations to the Board, the Committee will provide its assessment of whether each candidate is or would be (i) "independent" and (ii) "financially literate" within the meaning of applicable law.

## **5.9 Appointments to Board Committees**

The Committee will recommend to the Board those directors of the Administrator it considers qualified for appointment to each committee of the Board. If a vacancy occurs at any time in the membership of any Board committee, the Committee will recommend a director to fill such vacancy to the Board.

## 5.10 Performance Assessments

The Committee will annually review the effectiveness of the Board in fulfilling its responsibilities and duties as set out in the mandate of the Board. It will annually review the performance of the Board with consideration being given to skills and expertise, group dynamics, core competencies, personal characteristics, accomplishment of specific responsibilities, meeting attendance, participation and candour. The assessment will be conducted by way of an effectiveness survey consisting of questions ranking performance against responsibilities and open-ended questions. The Committee will establish minimum attendance standards for directors and will ensure that the Administrator's public disclosure reflects each director's attendance record, the frequency of Board and Committee meetings and the Board performance assessment process.

## 5.11 Compensation of Directors

The Committee will periodically review the adequacy and form of directors' compensation and recommend to the Board a compensation model that appropriately compensates directors for the responsibilities and risks involved in being a director or a member of one or more committees, as applicable. In discharging this duty, the Committee will be guided by four goals: (i) compensation should fairly pay directors for work required in an issuer of the Company's size and scope; (ii) compensation should not exceed what is customary given the size and scope of the Company's business and operations; (iii) compensation should align directors' interests with the long-term interests of shareholders; and (iv) the structure of the compensation should be simple, transparent and easy for shareholders to understand.

## 5.12 Approach to Governance

The Committee will review the Crius Group's overall approach to governance and make recommendations to the Board in this regard. Among other things, the Committee will:

- A. periodically review and assess the mandate adopted by the Board and recommend any amendments to the Board;
- B. periodically review the charter of each committee of the Board and recommend any amendments to the Board;
- C. periodically review and assess the Company's code of business conduct and ethics and recommend any amendments to the Board;
- D. periodically review the position descriptions for the Chairman of the Board, the Chair of the Audit & Risk Committee, the Chair of the Governance, Nomination & Compensation Committee Charter and the Chief Executive Officer and recommend any amendments to the Board;
- E. periodically review and assess the Crius Group's Policies and recommend any amendments to the Board;
- F. review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- G. monitor relationships between the Senior Management Group and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with, senior management;
- H. be available as a forum for addressing the concerns of individual directors;
- I. work with the CEO and other members of the Senior Management Group to foster a healthy governance culture within the Crius Group;
- J. monitor the compliance by the Crius Group with other statutory and regulatory requirements applicable to the Crius Group; and

- K. monitor developments in the area of governance and recommend initiatives that will help the Crius Group maintain high standards of governance.

### **5.13 Orientation and Continuing Education**

The Committee will ensure that new directors receive orientation materials describing the Company's business and its corporate governance policies and procedures. New directors will have meetings with the Chairman of the Board, the CEO and the chief financial officer and are expected to visit the Company's principal offices. The Committee is responsible for confirming that procedures are in place and resources are made available to provide directors with appropriate continuing education opportunities.

### **5.14 Policies**

The Committee will:

- A. develop, review and assess the Policies to confirm that they address, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Crius Group's assets, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behaviour, and establish mechanisms to facilitate the effective operation of the Policies and the granting of waivers under any of the Policies;
- B. if appropriate, approve any waivers of the Policies sought by directors of the Administrator or members of the Senior Management Group; and
- C. ensure that any waivers of the Policies for directors or members of the Senior Management Group are promptly disclosed to the Board and, if appropriate, to Unitholders.

### **5.15 Human Resources Policies**

The Committee will review the Crius Group's key human resources policies and overall compensation program for employees and make recommendations to the Board regarding the same.

### **5.16 Reporting**

The Committee will regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities, including any matters relating to the Policies and its review of any potential conflicts of interest.

## **6. CHAIR OF THE COMMITTEE**

The Board will appoint one member who is qualified for such purpose to be Chair, to serve until the next annual election of directors of the Administrator or otherwise until his or her successor is duly appointed. If, following the election of directors of the Administrator, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

## **7. REMOVAL AND VACANCIES**

Any member of the Committee may be removed and replaced at any time by the Board. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board on the recommendation of the Committee. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

## **8. ASSESSMENT**

At least annually, the Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this mandate and in a manner consistent with the Board mandate to be adopted by the Board.

## **9. REVIEW AND DISCLOSURE**

The Committee will review this mandate at least annually and submit it to the Board for approval with such proposed amendments as it deems necessary and appropriate.

## **10. ACCESS TO OUTSIDE ADVISORS**

The Committee may retain any outside advisor, including an executive search firm, at the reasonable expense of the Administrator at any time and has the authority to determine any such advisor's fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information relating to the Administrator and its subsidiaries which it deems relevant to the performance of its duties.

## **11. DIVERSITY POLICY**

The Committee is committed to workplace diversity.

The Committee has the responsibility to recruit form a diverse and talented workforce, recognizing that the Crius Group is committed to workplace diversity. The Crius Group recognizes the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improved employee retention, accessing different perspectives and ideas, and benefiting from all available talent. The Committee shall recruit on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious belief, cultural background, sexuality or physical ability.

The Committee will make all recommendations and approvals in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of suitable candidates and using external advisors where necessary.

Adopted by the Committee Governance, Nomination & Compensation Committee on November 13, 2012.

Revised and adopted by the Committee Governance, Nomination & Compensation Committee on March 25, 2015.