



Yukon Energy Corporation

Committee Operating Guideline

Approved May 11, 2022

A. INTRODUCTION

The Board has established the following standing committees (Committees) to assist the Board in carrying out responsibilities:

- Audit
- ESG
- Human Resources
- Project

The Board may also establish *ad hoc* committees, advisory committees or working groups to address time limited projects.

This policy sets out key principles for the purpose and composition of Committees as well as general guidelines for how Committees will operate to carry out their responsibilities. The terms of reference for the Committees set out the specific responsibilities of each Committee and any unique considerations for the Committee.

B. PRINCIPLES

The primary purpose of Committees is to allow for focused discussion and concentration in key areas of Board responsibility and to advise, assist and support the Board in carrying out its work. Committees may also advise the President and Chief Executive Officer (CEO), as the CEO considers appropriate.

Committees generally review, monitor, and recommend matters, policies, alternatives and implications for Board deliberation and have such responsibilities and decision-making authority as may be delegated by the Board and provided in their terms of reference. Each Committee is accountable to the Board. The Board, while not bound by Committee recommendations, considers the detailed review that has already taken place by its members.

The Committees have no authority to direct management, speak for, commit, or make decisions on behalf of YEC unless specifically authorized by the Board through the applicable Committee terms or reference or otherwise.

On an ongoing basis, Committee Chairs advise and keep the Board Chair abreast of key issues to be addressed by their Committee or brought to their attention by individual Directors.

C. TERMS OF REFERENCE

The Board establishes terms of reference for each Committee, and may delegate specified powers, responsibilities, and decisions to Committees. Committees review their terms of reference annually or as needed in collaboration with the ESG Committee and make recommendations for any required changes to the Board in line with evolving best practice.

D. COMPOSITION

Committees have between three and six directors (Directors), including the Board Chair as an *ex officio*, voting member, unless otherwise specifically provided for in a Committee's terms of reference.

Committee composition and appointments are intended to be balanced among Directors and consideration is given to a Director's expressed interest, their qualifications, and any specific skills and experience requirements that may be set out in the Committee's terms of reference. At least one member of each Committee should possess expertise relevant to the Committee's areas of focus and responsibility.

Committee members and Committee Chairs generally serve three-year terms (or less depending on the circumstances) and may be appointed for consecutive terms. Appointments are confirmed annually by the Board based on a recommendation from the Board Chair. Vacancies in Committee memberships are filled by the Board on the recommendation of the Board Chair.

Directors are expected to serve on at least one Committee. A Committee member may be removed or replaced at any time by the Board and will cease to be a member upon ceasing to be a Director.

E. COMMITTEE CHAIRS

Committee Chairs work collaboratively with the Board Chair, the CEO and designated management lead(s) (see below) of the Committee, to fulfill the Committee's terms of reference.

Committee Chairs:

- Oversee the Committee's terms of reference, and work with the Board Chair and others to promote alignment of the Committee's work with the Board's focus and the strategic direction, priorities, and core objectives of YEC
- Collaborate with the management lead(s) in the development of meeting agendas
- Lead and preside over Committee meetings
- Encourage participation by all Committee members, promote full consideration of issues, strategic, balanced discussion and understanding of complex issues
- Provide and support reporting on the Committee's activities to the full Board
- Perform additional specific responsibilities that may be assigned to a Committee Chair in a Committee's terms of reference or a governance policy

F. MANAGEMENT LEAD AND RESOURCES

Each Committee is supported by the Corporate Secretary, the CEO, as well as designated management lead(s) and other staff support as determined appropriate by the CEO and Committee Chair.

G. GENERAL RESPONSIBILITIES

In addition to the responsibilities set out in their respective terms of reference, all Committees are expected to carry out the following responsibilities annually or as needed to allow the Committee to operate effectively:

- Review the Committee's effectiveness and performance in fulfilling its terms of reference

- Keep current on emerging best practices, trends, and developments relative to the Committee’s terms of reference
- Review such other matters related to the Committee’s purpose that the Committee or the Board deems advisable or timely in light of business, legal, regulatory or other conditions

H. COMMITTEE MEETINGS

i. GENERAL

Committees meet as often as necessary to carry out their responsibilities and at least quarterly, consistent with an annual forward calendar. On occasion, meeting dates may be changed, and additional meetings may be called by the Committee Chair at short notice.

Committees may hold joint meetings, particularly where there may be shared areas of responsibility. Joint meetings are determined by Committee Chairs, in consultation with the Corporate Secretary, as needed.

ii. WORKPLANS

Committees organize their work, meetings, and responsibilities according to an annual calendar of regularly recurring activities (the workplans). Committees review their workplans annually or as needed and update as appropriate, taking into consideration the needs of the Committee and alignment with the work of the Board.

iii. NOTICE

A Committee’s regular meeting schedule (including the date, time, and location) for an upcoming meeting year is typically approved by the Board at least one year in advance. Once approved, the annual schedule is provided to Committee members. Notice of upcoming regular Committee meetings are also provided at the previous regularly scheduled Committee meeting. A Committee may cancel or change the date, time, or location of any meeting with 24 hours’ notice, if the Committee Chair determines the circumstances require.

Notice of Committee meetings that do not appear in the Committee’s annual meeting schedule are provided to Committee members at least 24 hours prior to such meeting or as soon as is practicable in the circumstances. A Committee member who attends a meeting is deemed to have waived notice of the meeting with respect to all business transacted.

iv. AGENDA

Draft committee meeting agendas are generally developed by the Corporate Secretary based on the annual forward calendar and in direct consultation and coordination with the Committee Chair and the designated management lead(s) for the Committee, as appropriate. The Board Chair and the CEO may also be consulted.

A consent agenda may be used for items that are routine or non-controversial in nature, or an item that requires perfunctory approval because the Committee has already reached a decision in previous discussions.

Under normal circumstances, agendas and supporting materials are posted to the secure Board document portal or otherwise distributed to Committee members at least five (5) days in advance of the meeting date or as soon as practicable while ensuring that Directors have sufficient time for review prior to the meeting.

Agendas and supporting materials are also made available to all Directors (except where such access to materials is specifically restricted). Agendas and supporting materials may also be made available to management as determined by the CEO.

Any changes made to the agenda or meeting package will be communicated either by email in advance of the meeting or in person by the Committee Chair at the beginning of the meeting.

v. MEETING MATERIALS

Committee meeting materials will be taken as read and management presentations will be focused and designed to support discussion at a strategic level, rather than to reproduce a management report.

All materials submitted for consideration by the Committee become part of the Board record and will be maintained by the Corporate Secretary.

Upon notification that the agenda and meeting package has been posted, and prior to the actual meeting, Directors are encouraged to:

- Check they can access the meeting package
- Review the agenda and notify the Committee Chair and Corporate Secretary if a conflict of interest is identified (Directors will also be asked to declare potential conflicts at the outset of each meeting)
- Submit significant concerns or questions to the Committee Chair, designated management lead, as appropriate ahead of the meeting so that a response can be formulated in time for the meeting

Where circumstances warrant, supporting materials may be distributed separately from the agenda or handed out at the meeting.

Meeting Logistics

Committee meetings may be held in person, entirely by video or teleconference, or as a hybrid meeting. In the case of in-person meetings, Director who are unable to attend in person will discuss with the Chair and management the possibility of attending via video or teleconference. Where video or teleconference is used for Committee meetings, the technology or means used must permit all Committee members to be heard and participate virtually, and Committee members who participate in this fashion are deemed to be present at the meeting and counted in quorum.

vi. ATTENDANCE AND OBSERVERS

Committee meetings are attended by Committee members and the designated Management lead(s), and typically the CEO will also attend. Other members of management and staff, as determined by the CEO in collaboration with the Committee Chair, may also attend. In addition, Committee meetings are open to all Directors to observe. As observers, other Directors do not vote on matters before the Committee. The Committee Chair will direct and may limit their involvement in the Committee meeting.

The Committee Chair, in consultation with the designated management lead(s), may invite such other guests as the Committee considers desirable to attend all or a portion of meetings and assist in the Committee's discussions.

vii. MEETING PROCEDURES

The following sets out general procedures for Committee meetings, unless otherwise provided for in the Committee's terms of reference:

- A quorum for meeting is a majority of Committee members
- Each Committee member has one vote
- Prior to taking a vote, Committee members strive to achieve a consensus on any recommendations that are presented for discussion and approval. Resolutions or matters arising at a Committee meeting are decided by a simple majority of the votes of Committee members present and entitled to vote, except where another threshold is required.
- Only Committee members may move, second, and vote on motions
- In the case of an equality of votes, the Committee Chair does not have a second or casting vote, and the motion is declared lost

viii. IN CAMERA SESSIONS

Each regular Committee meeting includes one or more *in camera* session of Committee members at the beginning and/or end of each meeting. In addition, at the Committee's discretion, Committees may hold such other *in camera* sessions at any Committee meeting outside of the regular Committee meeting schedule.

The Committee Chair may invite those Directors attending as observers to attend all or a portion of the *in camera* session to participate in discussions. The Committee Chair may also invite the CEO to attend all or a portion of the *in camera* session.

The purpose of such meetings is to discuss any sensitive matter that the Committee or a Committee member may wish to be addressed, address matters affecting the quality and effectiveness of the Committee meeting, address internal governance matters for the Committee, and/or meet with external advisors, service providers, consultants or designated management lead(s) for the Committee where needed.

The Committee Chair subsequently debriefs and conveys follow up requests to the management lead(s) and the CEO as appropriate.

ix. CONSENT RESOLUTIONS

A resolution in writing (on paper, via email or electronically via the Board's document-sharing portal) and consented to by all Committee members entitled to vote on that resolution is as effective as if it had been passed at a meeting of the Committee.

A Committee member who wishes to discuss a proposed consent resolution should inform the Committee Chair or the Corporate Secretary. Committee members will be provided with the opportunity to participate in any requested discussion.

x. MINUTES

The Corporate Secretary ensures there are minutes of the discussions drafted for all Committee meetings. Minutes are not taken of the *in camera* portion of Committee meetings; however, the Chair ensures that the Corporate Secretary is informed of all recommendations (or resolutions) of the Committee made at an *in camera* session or made outside of a meeting. The Corporate Secretary ensures that there are records of these matters,

Approved minutes of Committee meetings and records of all decisions of the Committee made outside of a meeting will be maintained by the Corporate Secretary and serve as the official record of Committee deliberations and decision-making.

All minutes set out the date, time, and location for the Committee meeting, the attendance of Committee members, a summary of the discussion, and a record of the formal actions, recommendations, and resolutions of the Committee taken. Opinions or views expressed by participants at Committee meetings are considered personal information and confidential and are not recorded in the minutes.

The Committee Chair is provided with draft minutes of the Committee meeting as soon as possible after each meeting. Once reviewed by the Committee Chair, minutes are posted for review by Committee members. Minutes of Committee meetings are approved at the next Committee meeting or by consent resolution.

xi. SECURITY AND CONFIDENTIALITY OF BOARD MATERIALS AND DELIBERATIONS

The online secure Board portal will serve as the primary medium for exchanging Committee materials and related information. Unless otherwise indicated, such materials are confidential, and are not for distribution or discussion outside the meeting. Directors should take appropriate steps to safeguard materials and materials should be retained or disposed of in a secure manner and in accordance with YEC's applicable records management policies. Materials that may have been printed and any related notes should be safeguarded and disposed of in accordance with such records management policies.

Deliberations at Committee meetings, including views expressed by individual Directors, are also confidential.

At each Board meeting, the Committee Chair provides a verbal or written report that summarizes what the Committee has been working on since it last reported to the Board, what the Committee is bringing forward for discussion or approval, and what is coming up on the Committee's agenda. The report should be focused to inform the Board about the Committee's work. Committee meeting agendas and minutes are included in the Board meeting materials for reference.

Each Committee makes periodic recommendations to the Board in respect of the subject on which it was created to provide advice. Any recommendations to the Board should be clear and focused, providing an analysis of the information, alternatives considered, risk considerations, recommendations and impact to YEC's strategic plan. Although the Board is not bound by Committee recommendations, the Board is guided by the principle that Committees are intended to assist the Board in conducting its work efficiently and effectively.

xii. EXTERNAL ADVISORS

In carrying out their responsibilities, Committees:

- Rely on management to be transparent with the Committee and provide them with accurate and complete information
- Having regard to YEC's internal resources and budget, may consult with and have access to external advisors on matters within the Committee's terms of reference to provide any expertise the Committee deems appropriate or necessary to fulfil its terms of reference