



Yukon Energy Corporation

Terms of Reference

Project Committee

Approved May 11, 2022

A. PURPOSE

The Project Committee (Committee) assists the board of directors (Board) of Yukon Energy Corporation (YEC) in fulfilling its oversight responsibilities by monitoring and making recommendations to the Board to ensure effective Board oversight over specific projects of YEC (collectively, Projects) as delegated by the Board, including but not limited to:

- Re-licensing Projects
- Projects anticipated to involve material complexity (for example, due to the nature of required interactions with affected parties) and/or material risk to YEC (as determined by the CEO in conjunction with the Board)

The Committee is supported by the CEO and other members of Management as determined appropriate by the CEO and the Committee Chair.

B. GUIDELINES FOR COMMITTEES

In carrying out its role and responsibilities, and in determining its composition, the Committee follows the Committee Operating Guidelines.

C. DUTIES AND RESPONSIBILITIES

The Committee assists the Board in the oversight of Projects, ensuring the Board is aware of risks and receives the information it requires for effective decisions. Certain matters delegated to the Committee may overlap with some of the responsibilities delegated to the Board's other committees. The Committee coordinates or interacts as necessary with such committees in the discharge of its responsibilities.

The Committee specifically has the following responsibilities:

Project Oversight

- Review and recommend¹ for Board approval the completion of each Project stage gate prior to the movement to the next stage gate for the Project
- Review the effectiveness of Management's approach to Project risks, including
 - Assumptions and methodologies in the dynamic context of Projects

¹ Where recommendations are referred to, recommendations are to the Board unless otherwise indicated.

- The identification of strategic risks
- The application of appropriate risk management frameworks
- The identification, application, and monitoring of appropriate risk mitigation strategies
- Monitor, at a strategic level, the effectiveness of YEC’s stakeholder engagement plan for each Project, including:
 - Considering, fostering, and maintaining quality relationships with Project parties and obtaining of social license for Projects
 - Building and checking alignment with Project parties throughout the Project
- Monitor, at a strategic level, YEC’s First Nations collaboration plan for each Project, including:
 - Ensuring a strong process for building relationships and trust, including:
 - The right time and level of engagement and collaboration for each Project
 - The engagement of First Nations in a culturally appropriate way that fosters reconciliation
 - Ensuring access to and appropriate consideration of traditional First Nations knowledge in the Project’s assessment methodology
- Review and monitor, at a strategic level, the effectiveness of Management’s Project management frameworks by reviewing:
 - Project structure, approach, and consistency with YEC’s broader sustainability strategies
 - Project reports, metrics, and lessons learned and reporting to the Board and highlighting any concerns to Management
- Provide strategic guidance and advice as needed on the development and implementation of plans, strategies, and initiatives relating to Projects
- Participate in Project collaboration and engagement activities as suggested by the CEO and as determined appropriate by the Committee and Board

Compliance, Audits, and Investigations

- In collaboration with the Audit Committee², monitor compliance by YEC with applicable laws, regulations, principles, and policies relating to Projects
- In collaboration with the Audit Committee, monitor material investigations and litigation related to Projects as appropriate
- In collaboration with the Audit Committee, monitor material regulatory audits, findings, orders, reports and/or recommendations issued by or to YEC related to Project matters or issues, together with Management's response thereto

² The Audit Committee has primary responsibility for oversight of the overall approach and frameworks related to compliance, investigations, material litigation, regulatory audits, and risk management. As such, “Collaboration with the Audit Committee” means that the Project Committee has primary responsibility for overseeing the specific area only insofar as it relates to Projects and will report to the Audit Committee on its oversight of such matters.

Risk Management

- In collaboration with the Audit Committee, oversee the regular review of management's systems, control plans, and steps to assess and manage material risks and exposures relating to Projects as identified in YEC's enterprise risk management framework and delegated to the Committee

Policy Oversight

- Review key organizational policies related to ESG Matters and recommend any required changes

Other

- Ensure a robust orientation program is in place for orientation of Committee members to the Project Committee, and lead such orientation