



**TOUCHSTONE EXPLORATION INC.  
HEALTH, SAFETY, SOCIAL AND ENVIRONMENTAL COMMITTEE MANDATE**

**Establishment of Committee**

The Board of Directors (the "Board") of Touchstone Exploration Inc. ("Touchstone" or the "Corporation") hereby establishes a committee of the Board to be called the Health, Safety, Social and Environmental Committee (the "Committee").

**Role and Objective**

The primary function of the Committee is to assist the Board in fulfilling its responsibility by reviewing and making recommendations to the Board relating to the health, safety, social and environmental policies, practices and programs of the Corporation and its subsidiaries including climate related issues and sustainability. This is done through the review, report and recommendations to the Board on the development and implementation of the policies, standards and practices of the Corporation on health, safety, social and environmental matters, and assisting directors in meeting their responsibilities to the Corporation in satisfying its legal, industry and community obligations pertaining to these matters. The Committee will also review and approve any other matters specifically delegated to the Committee by the Board.

**1. Reporting**

The Committee shall report to the Board of Directors.

**2. Composition of the Committee**

- (a) The Committee shall be comprised of three (3) directors of the Corporation ("Directors") or such greater number as the Board may from time to time determine, of whom the majority shall be "independent" (as such term is defined in National Instrument 58-101).
- (b) The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee (the "Chair") who shall be an independent director.

**3. Specific Duties and Responsibilities**

To carry out its responsibilities, the Committee shall:

- (a) Oversee the Corporation's policies, procedures, internal control systems and strategies relating to climate related issues, environmental protection, sustainability issues, health, safety and social matters to ensure due assessment, consideration and management of risks, opportunities and potential performance improvement relating thereto.
- (b) Monitor Touchstone's business to assist Touchstone in conducting its business in a socially responsible, ethical and transparent manner that includes engagement, respect and support for the communities in which Touchstone works.
- (c) Review and report to the Board with respect to the consideration and integration of climate related issues, environmental protection, health, safety and social matters in the development of the Corporation's business strategy and financial planning.
- (d) Receive periodic reports from management regarding Touchstone's initiatives and opportunities to optimize its climate related, environmental protection, and health and

safety performance including processes to reduce emissions and waste, reduce or substitute energy and water use, and minimize land disturbance.

- (e) Receive periodic reports from management relating to the Corporation's safety and environmental performance versus established targets, with the goal of providing monitoring and oversight thereof.
- (f) Review Touchstone's compliance with all applicable laws, regulations and Touchstone's policies with respect to health, safety, social matters and the environment.
- (g) Consider and review the setting and performance against appropriate targets, benchmarking, procedures and reporting methods used by the Corporation to measure its climate, environmental protection, health and safety performance and other relevant sustainability performance.
- (h) Review Touchstone's disclosure, reporting and external communication practices pertaining to climate related matters, environmental protection, and health and safety including but not limited to assessments of materiality, Sustainability Report development and approach to analogous disclosure and other written communication with stakeholders.
- (i) Consider and review third party reports on Touchstone's sustainability performance and peer sustainability performance.
- (j) Review and report to the Board:
  - (i) on the Corporation's performance and compliance with codes, standards, regulations and applicable laws with respect to environmental protection and health and safety;
  - (ii) on emerging social, political and environmental trends, issues and regulations with respect to environmental protection and health and safety;
  - (iii) on the findings of any significant report by regulatory agencies, external health, safety and environment consultants or auditors concerning the Corporation's performance in health, safety and environmental matters and any necessary corrective measures taken to address issues and risks that have been identified by the Corporation, external auditors or by regulatory agencies;
  - (iv) on the results of any review with management, consultants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities or decommissioning of facilities; and
  - (v) on management's decisions on abandonment and reclamation, including appropriate asset retirement obligation determination.
- (k) The Committee shall review shareholder proposals relating to sustainability issues and provide a report to the Board Governance and Compensation Committee.
- (l) All members of the Committee shall be generally familiar with health, safety, and environmental requirements within the energy industry, including standard procedures and applicable legislation, at the time of their appointment or shall become so within a reasonable period of time following such appointment.
- (m) The Committee may, upon notice to and approval of the Chairman of the Board, engage independent health, safety, and environmental consultants or advisors, at the expense of

the Corporation, to assist the Committee in carrying out its duties. The Committee shall have sole authority to approve related fees and retention terms of any such consultant or advisor.

- (n) The Committee will perform the following duties with respect to health, safety and environmental matters:
  - (i) to have the general authority to investigate any activity of the Corporation that has an impact on health, safety, and the environment and all employees are to cooperate as requested by the Committee;
  - (ii) to oversee and assess management's formulation and implementation of the policies, standards and practices with respect to health, safety, and the environment;
  - (iii) to oversee and assess the Corporation's policies, standards and practices with respect to health, safety, and the environment and generally relating to compliance with health, safety and the environment related legal and regulatory requirements; and
  - (iv) to review and recommend to the Board for approval any public disclosure of information relating to health, safety, and environmental incidents or the Corporation's health, safety, environmental practices, including the disclosure to be included in the Corporation's management information circular and/or annual information form before the Corporation publicly discloses this information.

#### **4. Additional Duties Regarding the Environment**

The Committee shall have the following duties and responsibilities in relation to environmental matters:

- (a) to review and monitor the environmental policies and activities of the Corporation on behalf of the Board for the purposes of complying with environmental laws and regulation;
- (b) to recommend actions for developing policies, programs and procedures that further adherence to, and achievement of, the Corporation's environmental policies and procedures;
- (c) to review environmental compliance issues and environmentally sensitive incidents to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard;
- (d) to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended; and
- (e) to report regularly, no less than quarterly, and on a timely basis to the Board on matters coming before the Committee relating to environmental policies and activities of the Corporation for consideration and the manner of disposition.

## **5. Additional Duties Regarding Health and Safety**

The Committee shall have the following duties and responsibilities in relation to employees' health and safety:

- (a) to review and monitor the health and safety policies and activities of the Corporation on behalf of the Board for the purposes of complying with applicable laws, regulation and policies as they relate to the health and safety of the Corporation's employees in the workplace;
- (b) to recommend actions for developing policies, programs and procedures that further adherence to, and achievement of, the Corporation's policies and procedures related to the health and safety of its employees, as well as contractors and third parties, in the workplace;
- (c) to review health and safety issues and health and safety sensitive incidents to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard;
- (d) to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended;
- (e) to report on a timely basis and at least annually to the Board on health and safety issues and on the state of compliance with applicable laws and regulation and adherence to the policies of the Corporation; and
- (f) do such other things within the scope of its responsibilities as it may, in its discretion, deem appropriate.

## **6. Meetings and Administrative Matters**

- (a) At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
- (b) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
- (c) A quorum for meetings of the Committee will be a majority of its members. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. Meetings may occur via telephone or teleconference.
- (d) The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board.
- (e) Meetings of the Committee should be scheduled to take place at least once per year and at such other times as the Chair of the Committee may determine.
- (f) Agendas approved by the Chair will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.

- (g) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
- (h) Minutes of the Committee will be recorded and maintained.
- (i) If determined appropriate, following meetings of the Committee, a list of tasks or matters to be followed up upon shall be prepared including the timetable for completion thereof and the responsibility for completion, the status of which matter shall be reviewed at the next meeting of the Committee or as otherwise determined by the Committee.
- (j) The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at such compensation as established by the Committee and at the expense of Touchstone without any further approval of the Board.
- (k) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as two members remain on the Committee. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
- (l) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.

## **7. Whistleblower Matters**

At the request of the Audit Committee or Management, the Committee shall assist in responding to any governance related matters received in connection with the Corporations Whistleblower Policy or raised anonymously through the Confidence Line.

## **8. Review**

The Committee shall review and assess the adequacy of this Mandate annually and recommend to the Board any changes it deems appropriate, including to account for best practice guidelines recommended by, and to comply with any rules or regulations disseminated by, securities regulators and stock exchanges, to the extent appropriate for the Corporation.

## **Mandate History**

March 25, 2021

Adopted by the Board of Directors