

**PEYTO EXPLORATION & DEVELOPMENT CORP.****TERMS OF REFERENCE FOR THE HEALTH AND SAFETY COMMITTEE CHAIR**

The term "Corporation" refers to Peyto Exploration & Development Corp., the term "Board" refers to the Board of Directors of the Corporation, the term "Committee" refers to the Health and Safety Committee of the Board, and the term "Chair" refers to the chairperson of the Committee.

**I. INTRODUCTION**

- A. The Chair is appointed annually by the Board and reports to the Board.
- B. The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Committee.
- C. The Chair works with the Vice President, Engineering of the Corporation (the "Officer"), or such other employee as may be approved by the Chief Executive Officer of the Corporation to ensure an effective working relationship with Committee members.
- D. The Chair maintains on-going communications with the Officer and with such other officers and employees of the Corporation as the Chair determines appropriate.
- E. The Chair, in conjunction with the Committee, maintains ongoing communications with the Corporation's independent petroleum consultants.

**II. DUTIES AND RESPONSIBILITIES****A. Working with the Board**

The Chair has the responsibility to:

- (a) lead the Committee in overseeing management's formulation and implementation of the policies, standards and practices with respect to health and safety;
- (b) lead the Committee in overseeing the preparation of the Corporation's public disclosure relating to its policies, standards and practices with respect to health and safety reporting generally and relating to compliance with health and safety related legal and regulatory requirements;
- (c) lead the Board in assessing (i) the performance of the Corporation's officers, and (ii) the Corporation's compliance with and adherence to said policies and procedures; and
- (d) report to the Board after each Committee meeting at the Board's next meeting.

**B. Managing the Committee**

The Chair has the responsibility to:

- (a) attempt to ensure the Committee is alert to its obligations to the Board and pursuant to law;

- (b) take all reasonable steps to provide that the responsibilities and duties of the Committee, as outlined in its mandate, are well understood by the Committee members and executed as effectively as possible;
- (c) chair Committee meetings, including closed sessions and in camera sessions;
- (d) establish the frequency of Committee meetings and review such frequency from time to time, as considered appropriate (provided, however, that Committee meetings may be called by the Chair at any time or at the request of two members of the Committee);
- (e) assist the Board (or a committee of the Board to which responsibility in respect thereof may be delegated) in its recommendation of Committee members and its review of the performance and suitability of the Committee members;
- (f) establish an annual work plan and submit it to the Committee for its consideration;
- (g) ensure the co-ordination of the agenda, information packages and related events for Committee meetings in conjunction with the other Committee members, the Chief Executive Officer and other members of management of the Corporation and outside advisors, as appropriate, and establish the agenda for each Committee meeting;
- (h) take all reasonable steps to provide that Committee materials are available to any director on request;
- (i) maintain a liaison and communication with Committee members, other directors and the Chair of the Board to co-ordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- (j) in collaboration with the Chief Executive Officer and other members of management of the Corporation as applicable, assist in ensuring information requested by Committee members is provided and meets their needs;
- (k) in conjunction with the Board (or a committee of the Board to which responsibility in respect thereof may be delegated), review and assess Committee attendance, performance and compensation and the size and composition of the Committee;
- (l) take all reasonable steps to provide that minutes of the Committee are recorded;
- (m) take all reasonable steps to provide that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently; and
- (n) after consultation with the Committee, retain, oversee, compensate and terminate independent professional advisors to assist the Committee in its activities.