

TERMS OF REFERENCE FOR THE HEALTH, SAFETY & ENVIRONMENT COMMITTEE

I. PURPOSE

The purpose of the Health, Safety & Environment Committee (the “Committee”) is to assist the Board in carrying out its responsibilities by having responsible persons to ensure that the Trust’s activities are conducted in an environmentally responsible manner and Vermilion Energy Trust (the “Trust” or “Vermilion”) maintains the integrity of its health and safety policies.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than two directors and not more than five directors, majority of whom shall be independent directors.
- B. The Committee shall operate in a manner that is consistent with the Committee Guidelines outlined in Tab 8 of the Board Manual.
- C. The Committee shall meet at least two times per year.

III. DUTIES AND RESPONSIBILITIES

The Committee shall:

- A. Annually review the Trust’s Health, Safety & Environment Policy Statement and, if appropriate, make recommendations to the Board.
- B. Consider whether the Trust’s Health, Safety & Environment Policies are effectively implemented, comply with applicable legislation and conform with industry standards
- C. Review Vermilion’s environment, health and safety activities and performance, including:
 - i) any contravention of an existing environment, health or safety regulation;
 - ii) any event or potential event that would, in the opinion of management, constitute a significant environment or safety occurrence;
 - iii) non-compliance issues;

**TERMS OF REFERENCE FOR THE HEALTH, SAFETY & ENVIRONMENT
COMMITTEE**

- iv) significant external or internal audit reports;
- v) significant legislative and regulatory changes including policy proposals and modifications in major markets that could materially impact Vermilion's business; and
- vi) outstanding litigation.

- D.** Review the Trust's methods of communicating environment, health & safety policies and procedures.
- E.** Review the insurable risks related to environment, health and safety issues and evaluate cost/insurance benefits associated with those risks; concerning insurance, the Committee shall consult with and review the recommendations of the Audit Committee.
- F.** Meet separately (independent of any other management) with the management person responsible for Health, Safety & Environment at least annually and report to the Board on such meetings.
- G.** Advise and make recommendations to the Board as appropriate on matters relating to environment, health and safety.

IV. ACCOUNTABILITY

- A.** The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on environment, health and safety matters relative to the Trust.
- B.** The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

V. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities.

**TERMS OF REFERENCE FOR THE HEALTH, SAFETY & ENVIRONMENT
COMMITTEE**

CHECKLIST	COMMENTS
A. Review Environment, Health & Safety Policy Statement	
B. Review implementation	
C. Review management reports & recommendations	
D. Review communications plan	
E. Review insurable risks	
F. Meet independently with management person responsible for environment health & safety	