

## **CHAIRMAN'S TERMS OF REFERENCE**

The principal role of the Chairman of the Board of Directors ("Board") of Sherritt International Corporation (the "Corporation") is to provide leadership to the Board. The Chairman is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and that it functions efficiently and, in cases where the Chairman is an independent director, independent of management. Where the role of Chairman and President and Chief Executive Officer is not combined, the Chairman also advises the President and Chief Executive Officer in all matters concerning the interests of the Corporation, the Board and the relationships between management and the Board.

More specifically, the Chairman shall:

### **A. Strategy**

1. Provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Mandate of the Board and as otherwise may be appropriate.
2. Work with the Board, the President and Chief Executive Officer and other management to monitor progress on the Corporation's business plans, annual budgets, policy implementation and succession planning.
3. Assist the President and Chief Executive Officer in presenting the corporate vision and strategies to the Board, large shareholders, partners and the outside world.

### **B. Advisor to President and Chief Executive Officer**

4. In the case where the roles of the Chairman and President and Chief Executive Office is not combined:
  - a. Provide advice, counsel and mentorship to the incumbent President and Chief Executive Officer; and
  - b. In consultation with the President and Chief Executive Officer, ensure that there is an effective relationship between management personnel and the members of the Board.

### **C. Board Structure and Management**

5. Preside over Board meetings and annual and special meetings of shareholders.
6. Provide advice, counsel and mentorship to fellow members of the Board.
7. Execute the responsibilities of a company director according to the lawful and ethical standards and in accordance with the Corporation's policies.

8. Take a leading role, together with the Nominating and Corporate Governance Committee, in determining the composition of the Board and its committees to achieve maximum effectiveness.
9. In consultation with the President and Chief Executive Officer, the Corporate Secretary, the Lead Director and the chairs of the Board committees, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Board committees and of the shareholders.
10. In consultation with the President and Chief Executive Officer, Corporate Secretary and the Lead Director, review the annual work plan and the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities.
11. Ensure the proper flow of information to the Board and review, with the President and Chief Executive Officer, Corporate Secretary and the Lead Director, the adequacy and timing of materials in support of management personnel's proposals.

#### **D. Compensation Matters and Succession Planning**

In cases where the Chairman is independent, the Chairman shall, in conjunction with the Human Resources Committee:

12. Recommend compensation awards for President and Chief Executive Officer and be available to advise the Board on general compensation matters.
13. Advise the Board on performance of the President and Chief Executive Officer and succession planning of the President and Chief Executive Officer.
14. President and Chief Executive Officer, develop executive succession planning options to support the Corporation's strategies and to capitalize on opportunities for growth and/or acquisition.

If the Chairman is not independent, the Lead Director shall assume the responsibilities of the chairman in respect of items 12, 13 and 14 above..