

## **MANDATE OF THE TECHNICAL, ENVIRONMENT, HEALTH AND SAFETY COMMITTEE**

### ***Purpose***

The Technical, Environment, Health and Safety Committee (the “Committee”) is a committee of the board of directors (the “Board”) of North American Palladium Ltd. (the “Company”). Its primary function is to assist the Company and the Board in fulfilling their respective obligations relating to reviewing technical, environmental, health and safety matters concerning the Company’s mineral projects, including its oversight responsibilities with respect to:

1. Monitoring the development, implementation, and effectiveness of the Company’s health, safety and environmental policies and programs;
2. Monitoring the implementation of compliance systems;
3. Receiving audit results and updates from management with respect to health, safety and environmental performance;
4. Monitoring current and future regulatory issues relating to health, safety, environmental and material technical matters;
5. Monitoring technical studies and evaluations of the Company’s properties;
6. Monitoring the execution of exploration, development, construction and operating plans, programs and activities;
7. Monitoring the safety aspects of security controls, standards, policies, and procedures at the Company’s properties; and
8. Making recommendations to the Board, where appropriate, on significant matters pertaining to health, safety and the environment.

The Committee’s principal responsibility is one of oversight and in carrying out its responsibilities, the Committee is not providing any expert or special assurances or professional certifications as to the accuracy or completeness of the data and information it reviews.

### ***Responsibilities***

In order to meet applicable legal requirements, including requirements pursuant to the *Occupational, Health and Safety Act* (Ontario), the *Environmental Protection Act* (Ontario) and applicable federal legislation, and operate with appropriate standards, the Committee shall:

1. Foster a culture of environmental responsibility and accountability and in which the importance of health and safety is constantly reinforced;
2. Provide oversight on the development and implementation of management systems relating to environmental, and health and safety matters, including with respect to pollution prevention;
3. Periodically review the Company’s environmental, health & safety programs to ensure adequate resources and systems are in place to ensure programs are operating appropriately;
4. Ensure that management sets up a system sufficient to provide that officers report back periodically to the Board on the operation of the Company’s health & safety programs and to ensure that officers have been instructed to report any substantial non-compliance to the Board in a timely fashion;

5. Substantiate that management promptly addresses environmental concerns (if any) brought to their attention by government agencies or other concerned parties, including shareholders;
6. Monitor compliance with legal requirements and internal targets in respect of the environmental, health and safety programs;
7. Ensure that the Board and management is aware of the standards of the Company's industry and other industries which deal with similar environmental pollutants or risks, and health and safety matters, and that the Company is pro-active in meeting such standards;
8. Review with management the long term technical risks and opportunities relating to the Company's activities and ensure that the Board is made aware of these risks and opportunities;
9. Discuss with management any exploration, geological, mining, metallurgical and other technical issues of significant concern that require the attention of the Board;
10. Review the technical, operational and financial issues associated with new projects, acquisitions and dispositions that require Board approval with respect to their technical and financial impact on the Company, which may include reviewing:
  - a. The annual budget and the life of mine plan for each operating mine;
  - b. Significant technical risks, mitigation strategies and opportunities associated with the Company's mines and projects;
  - c. Exploration, geological, mining, metallurgical and other technical issues of significant concern; and
  - d. Technical merits associated with potential new projects or acquisitions.
11. Review the assumptions and methodology supporting the Company's projects, including:
  - a. Mineral resource and mineral reserve estimates;
  - b. Feasibility studies and activities overseeing related development;
  - c. Construction plans, programs and activities,and satisfy itself that the judgment exercised by management was reasonable.
12. Assist management in overseeing the technical development and review of major new projects;
13. Approve mineral reserves and mineral resources estimates prior to public dissemination; and
14. At least annually, review and assess this Mandate, and the performance of the Committee in carrying out its mandate.

### **Composition**

1. The Committee shall consist of at least two members, a majority of whom shall be independent,<sup>1</sup> as such term is defined by applicable laws and related rules and regulations, and rules of relevant stock exchanges. A quorum for the transaction of business at all meetings of the Committee shall be a majority of members.

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<sup>1</sup> See the Board Mandate for a definition of "Independent".

2. The directors on the Committee shall represent, to the extent possible, the technical skills necessary to adequately address the technical, environment and, health and safety issues facing the Company.
3. The Board shall appoint one member as the chair of the Committee (the “Chair”). If the Chair is absent from a meeting, the members shall select an Acting Chair from among those members in attendance at the meeting.

### ***Meetings***

1. The Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than two times per year.
2. The Committee may invite directors; senior officers; management; and other employees of the Company; and such other advisors and persons as is considered appropriate to attend any meeting of the Committee.
3. At each Committee meeting, management will provide updates on health and safety, environmental matters and technical initiatives.
4. The Committee will hold an in camera session without any senior officers present at each meeting.
5. The Committee will keep minutes of its meetings which shall be available for review by the Board.
6. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
7. The Committee shall report its determinations and recommendations to the Board.

### ***Authority of the Committee***

The Committee shall have the authority to:

1. Engage at any time, without the Board’s approval, at the expense of the Company, independent counsel and other experts or advisors as is considered advisable;
2. Determine and pay the compensation for any independent counsel and other experts and advisors retained by the Committee;
3. Conduct any appropriate investigation in connection with the carrying out of its duties and responsibilities under this Mandate; and
4. Request any senior officer or other employee, or outside counsel for the Company, to attend any meeting of the Committee and/or such other advisors and persons as is considered appropriate to attend any meetings of the Committee.

### ***Duties of the Chair of the Committee***

The fundamental responsibility of the Chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its Mandate and any other matters delegated to it by the Board. To that end, the Committee Chair’s responsibilities shall include:

1. Working with the Chairman of the Board and the President & Chief Executive Officer to establish the frequency of Committee meetings and the agendas for meetings;

2. Providing leadership to the Committee and overseeing the functioning of the Committee;
3. Chairing meetings of the Committee, including in camera sessions, unless not present, and reporting to the Board following each meeting of the Committee on the activities and any recommendations and decisions of the Committee and otherwise at such times and in such manner as the Chair considers appropriate;
4. Facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions, receive answers and express their viewpoints;
5. Ensuring appropriate information is provided to the Committee by the senior officers to enable the Committee to function effectively and comply with this Mandate;
6. Facilitating effective communication between the members of the Committee and the senior officers of the Company;
7. Leading the Committee in annually reviewing and assessing the adequacy of this Mandate and evaluating its effectiveness in fulfilling its Mandate; and
8. Performing such other duties as may be delegated to the Chair by the Committee or the Board from time to time, and taking such other steps as are reasonably required to ensure that the Committee carries out its Mandate.