

## **HUSKY ENERGY INC.**

### **BOARD OF DIRECTORS MANDATE**

#### **A. STEWARDSHIP RESPONSIBILITY**

Subject to the Articles and By-laws of Husky Energy Inc. (the “Corporation”) and applicable laws, the Board of Directors of the Corporation (the “Board”) has stewardship responsibilities to:

1. oversee the conduct of the business of the Corporation;
2. provide supervising leadership and direction to the President and Chief Executive Officer and senior management of the Corporation;
3. assess the President and Chief Executive Officer’s performance;
4. approve policies appropriate for the business of the Corporation;
5. approve corporate strategies and goals of the Corporation; and
6. be accountable to the Corporation’s shareholders to establish procedures for good governance and to enhance shareholder value.

The day to day management of the business and affairs of the Corporation is delegated by the Board to the President and Chief Executive Officer. The Board will give direction and guidance, through the President and Chief Executive Officer, to senior management for achievement of corporate objectives, define senior management limitations, and monitor performance against those objectives and senior management limitations. The President and Chief Executive Officer is expected to keep senior management informed of the Board’s evaluation of the senior management in achieving and complying with established corporate objectives.

#### **B. COMPOSITION OF BOARD OF DIRECTORS, COMMITTEES AND SENIOR MANAGEMENT**

The Board will:

1. before each annual general meeting, recommend nominees to the shareholders for election as directors for the ensuing year;
2. immediately following each annual general meeting:
  - i. appoint the Audit Committee, Compensation Committee, Corporate Governance Committee, Health, Safety and Environment Committee and such other committees as may be deemed appropriate from time to time, and appoint the chair as well as membership of each Committee; and
  - ii. elect Co-Chairs of the Board (who will be independent of management) and establish their duties and responsibilities. A principal responsibility of the Co-

Chairs of the Board of Directors will be to manage, and act as the chief administrative officers of, the Board of Directors with such duties and responsibilities as the Board may establish from time to time.;

3. with the advice of the Corporate Governance Committee, approve the mandate of each committee of the Board and the duties and responsibilities of each committee Chair, from time to time;
4. appoint the President and Chief Executive Officer of the Corporation, who will be a member of the Board; and
5. on the recommendation of the President and Chief Executive Officer, appoint the senior officers of the Corporation and approve the senior management structure of the Corporation.

**C. MEETINGS**

The Board will meet not less than four times during each year and will endeavour to hold one meeting in each quarter. The Board will also meet at any other time at the call of the Co-Chairs of the Board or, subject to the Articles and By-laws of the Corporation, the President and Chief Executive Officer or any director.

Directors may be present at meetings of the Board either in person or by telephone or other communications facilities which permit all persons participating in the meeting to hear each other.

**D. SPECIFIC DUTIES AND RESPONSIBILITIES**

The Board will have the specific duties and responsibilities as described below.

1. Approve annually, monitor and provide guidance on the strategic planning process and long term goals for the Corporation (the President and Chief Executive Officer and senior management will have direct responsibility for the ongoing strategic planning process and the establishment of long term goals for the Corporation).
2. Establish annual performance objectives against which to measure corporate and senior management performance and, based on the reports from the President and Chief Executive Officer, monitor the success of such corporate and senior management performance.
3. With advice from the Audit Committee and the Health, Safety and Environment Committee, in respect of their respective areas of oversight, identify the principal risks of the Corporation's business and use reasonable steps to ensure the implementation of appropriate systems to manage such risks, and in doing so attempt to achieve a proper balance between such risk and the potential return to shareholders.
4. In regards to the Corporation's management:

- i. Delegate to the President and Chief Executive Officer the authority to manage and supervise the business of the Corporation, including making of all decisions regarding the Corporation's operations, subject to limitations on such delegation as prescribed in applicable laws and any limitations the Board determines are required in the exercise of the authority delegated to the President and Chief Executive Officer.
  - ii. With advice from the Compensation Committee, establish the duties and responsibilities of the President and Chief Executive Officer and assess and evaluate the performance of the President and Chief Executive Officer against such standards.
  - iii. Approve operational policies within which senior management will operate.
  - iv. Take reasonable steps to ensure the Corporation has management of the highest caliber.
  - v. Take reasonable steps to ensure that the President and Chief Executive Officer has in place adequate programs to recruit, retain, develop and assess the performance of senior management.
  - vi. With advice from the Compensation Committee, satisfy itself that senior management compensation is linked appropriately to corporate performance.
  - vii. Keep in place adequate and effective succession plans for the President and Chief Executive Officer and senior management and review such plans on an annual basis.
5. With advice from the Audit Committee, approve the Corporation's annual financial plans.
6. With advice from the Audit Committee, oversee the integrity of the Corporation's internal controls and management information systems.
7. Approve the Corporation's communications policy, monitor the policies and procedures that are in place to provide for effective and timely communication by the Corporation with its shareholders, and with the public generally, including effective means to enable shareholders to communicate with the Board and senior management and to monitor the policies and procedures that are in place to maintain a strong, cohesive and positive image of the Corporation with shareholders, the oil and gas industry, governments and the public generally.
8. Require that it be kept informed of the Corporation's major activities and performance and take appropriate action to correct inadequate performance.
9. Provide for the independent functioning of the Board by putting in place appropriate procedures at such times as is desirable or necessary through:

- i. the establishment of regular “in camera sessions” without the President and Chief Executive Officer and senior management being present and from time to time meetings of only the independent directors; and
- ii. the engagement of outside advisers, at the Corporation’s expense.

**Effective Date:** May 6, 2014