

# **SHERRITT INTERNATIONAL CORPORATION**

## **MANDATE OF THE CAPITAL PROJECTS COMMITTEE**

### **1. Mandate**

The mandate of the Capital Projects Committee (the “Committee”) of the Board of Directors (the “Board”) of Sherritt International Corporation (the “Corporation”) is to assist the Board in fulfilling its oversight responsibilities with respect to the planning, development and construction of the Corporation’s major capital projects.

### **2. Duties and Responsibilities**

- (a) review, monitor and oversee all of the Corporation’s major capital projects, on a worldwide basis, which have or may have a material impact on the Corporation and which do not represent usual and normal capital expenditures intended to sustain existing operations, including any projects estimated to involve or entail planned capital expenditures in excess of C\$100 million (or the equivalent in one or more other currencies at the time the project is approved)
- (b) in connection with (a) above, receive such reports as the Committee shall from time to time determine, including the status of any particular project in terms of organization, personnel, schedule for completion, actual expenditures against budget and any issues of significance that have arisen with respect to the particular capital project and how these issues are being addressed
- (c) oversee, in consultation with management, how each capital project meets all applicable legal and regulatory requirements and addresses all relevant political, social, community economic benefits and related issues or concerns
- (d) report to the Board from time to time as the Committee determines
- (e) conduct a review of each capital project within its mandate upon completion of construction of each project and prepare a report, in a form and substance determined by the Committee, for reference by the Corporation and the Committee in future capital projects
- (f) perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Corporation’s major capital projects

### **3. Composition and Chair**

The members of the Committee shall, subject to appointments made as a result of resignations or retirements, be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee.

The Committee shall consist of not less than three directors, the majority of whom shall be “independent” as determined under applicable Canadian securities laws. The requirements for qualification of Committee members shall be determined and interpreted by the Board from time to time based upon recommendations by the Nominating and Corporate Governance Committee.

The Board shall annually designate a Committee Chair from among the members of the Committee on the recommendation of the Nominating and Corporate Governance Committee. If, in any year, the Committee does not appoint a Chair, the incumbent Committee Chair will continue in office until a successor is appointed.

#### **4. Meetings**

The Committee shall meet as often as the Committee determines is necessary to fulfill its responsibilities.

Notice of every meeting will be given to each member.

A majority of the Committee members will constitute a quorum. No business may be transacted by the Committee except at meetings at which a quorum is present.

Committee members shall visit the principal site of each capital project within its mandate at least once per calendar year during construction of each such project.

The Committee may invite such members of management or such outside advisors as it may see fit from time to time to attend its meetings and assist in the discussion and consideration of any matter.

A meeting of the Committee may be convened by the Chair or any two members of the Committee.

#### **5. Reporting**

The Committee will:

- regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities
- oversee the preparation of any disclosure required under applicable Canadian securities laws with respect to matters that are within its responsibilities

## **6. Resources and Authority of the Committee**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, provided that if the fees and expenses of any such special counsel or other experts or consultants retained by the Committee exceed, or are expected to exceed, C\$100,000, the approval of the full Board for such retainer will be obtained.

## **7. Tenure**

Each member shall hold office until his or her term as a Committee member expires or is terminated.

## **8. Removal and Vacancies**

Any Committee member may be removed and replaced at any time by the Board and shall cease to be a Committee member upon ceasing to be a director. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all of the Committee's powers so long as a quorum remains in office.

(Updated June 2009)