

**SUBJECT: POSITION DESCRIPTION FOR THE CHIEF EXECUTIVE OFFICER NO. 4****INTRODUCTION**

This position description is intended to identify the specific responsibilities of the President and Chief Executive Officer (CEO) of Freehold Resources Ltd. and to enhance coordination and communication between the CEO and the board of directors of Freehold Resources Ltd. (the Board). The day-to-day operations of the Trust are managed by an external Manager, under a management agreement. Freehold pays a management fee (in Trust Units) to the Manager. The CEO is an employee of the Manager and CEO compensation is determined and paid by the Manager.

**ACCOUNTABILITY TO THE BOARD**

The CEO's primary responsibility is to lead the Trust. While the Board is responsible for the overall stewardship of the Trust, the CEO is responsible for the executive leadership and operational management. The Board reviews and approves strategy and oversees the Manager, with a view to preserving and enhancing the underlying value of the Trust.

Management, led by the CEO, formulates the Trust's long-term strategy and objectives, and presents them to the Board for approval. The role of the Board is to review, question and validate, and ultimately to approve the strategies proposed by management.

The CEO is a member of the Board (as a nominee of the Manager) and is accountable to the Board on an ongoing basis for the implementation of the Trust's annual and long range objectives. The CEO keeps the Board informed of the Trust's progress towards its goals and of all material deviations from the strategies and objectives approved by the Board.

**STRATEGIC DIRECTION**

The CEO is responsible for:

- Leading and managing the Trust within parameters established by the Board.
- Formulating and recommending objectives, strategies, operating plans, programs and policies that ensure the maximization of Unitholder value and the long-term success of the Trust.
- Identifying the principal business risks and implementing appropriate systems to manage these risks.
- Implementing the capital and operating plans that support the strategic plan.
- Reviewing and reporting regularly on the overall progress and results against operating and financial objectives and initiating courses of action for improvement.

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- Reporting all material deviations from the goals, strategies and objectives approved by the Board, including updating and making changes as required, and involving the Board in the early stages of developing strategy.

**FINANCIAL STEWARDSHIP**

The CEO is responsible for:

- Formulating and presenting operating plans and financial objectives along with operating and capital expenditure estimates, and providing regular performance and progress reviews to ensure that the Board is kept fully informed about important factors influencing the Trust's business.
- Developing annual operating forecasts of revenue, expenditures, operational results, and financial performance. (These forecasts serve as operating and financial guidelines and do not require Board approval.)
- Authorizing the commitment of funds to capital projects included in budgets approved by the Board or unbudgeted capital expenditures of less than \$5 million where the total amount of the capital budget is not exceeded.
- Authorizing asset dispositions of less than \$5 million.
- Authorizing commitment of corporate resources, including contracts, transactions and arrangements in the ordinary course of business in the pursuit of the approved strategies, business plans and objectives of the Trust, and reporting regularly on major commitments, exposures, and risks.
- Directing the development of procedures to monitor, conserve, maintain and improve the Trust's assets, the adequacy of working capital, the safety of the capital funds invested, the adequacy of returns on invested capital and the profitability of the operations.
- Ensuring that the Trust's assets are adequately safeguarded and optimized in the best interests of the shareholders.

**ORGANIZATIONAL DEVELOPMENT**

The CEO is responsible for:

- Developing and maintaining a sound, effective organizational structure.
- Interpreting and implementing the general policies established by the Board, and directing the development of specific policies, procedures and programs to ensure that they are efficiently administered and controlled in a way that best meets the objectives and policies established by the Board.

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- Creating a culture of integrity throughout the organization by fostering a high performance corporate culture that promotes ethical practices and fair business dealings, and that encourages individual integrity, accountability, and social responsibility.
- Fostering a business environment in the Trust that encourages and stimulates creative and innovative approaches in all functions, as required to operate successfully in an industry characterized not only by intense and growing competition, but also a high degree of sophistication.
- Encouraging a culture in which employee safety and security are valued, and in which high occupational health and safety standards and practices are maintained.
- Challenging management to set and achieve viable annual and long-term strategic and financial goals;
- Ensuring that the responsibilities and authorities of all members of the organization are established and communicated clearly.
- Establishing and maintaining a plan for officer development, continuity and succession by:
  - (a) discussing periodically with the Governance Committee, views as to a successor in the event of the CEO's unexpected incapacity;
  - (b) providing the Board, at Board and committee meetings, with exposure to key management and other employees who have the potential to become officers.

**DISCLOSURE AND COMPLIANCE**

The CEO is responsible for:

- Establishing and maintaining, together with the CFO, disclosure controls and procedures, and internal controls and procedures for financial reporting and management information systems appropriate to ensure the accuracy and integrity of the Trust's financial reporting and public disclosures.
- Overseeing the Trust's disclosure practices and chairing management's disclosure committee.
- Implementing systems that are designed to ensure the safe, efficient operation of the Trust and to ensure compliance with health, safety and environment policies, procedures, and practices.
- Ensuring that all operations and activities of the Trust are conducted in accordance with laws, regulations, the Trust's Code of Business Conduct and Conflict of Interest Policy, sound business practices, and all other policies and practices approved by the Board.

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The CEO is responsible for:

- Ensuring that effective communications and appropriate relationships are maintained with Unitholders and other stakeholders.
- Developing and fostering external relationships through participation in industry, trade and professional associations, meetings and discussions with representatives of the government, various public service organizations, other oil and gas companies, the financial community, shareholders and clients.
- Participate in community-related activities to ensure the protection of the Trust's interests, public position and reputation.
- Acting as the primary spokesperson for the Trust with all its stakeholders, and ensuring that all Trust spokespersons receive adequate training.

**WORKING WITH THE BOARD**

The CEO is responsible for:

- Representing management to the Board and Unitholders.
- Work with the Chair to ensure that the Trust is building a healthy governance culture;
- Acting as chair, in the absence of the Chair.
- Assisting in effective communication between management and the Board, including follow-up of major items required by the Board.
- Communicating openly and effectively with the Chair regarding strategy, governance matters, performance, and feedback from management.
- Maintaining regular contact with the Chair and other directors to ensure the Board is kept well informed about significant operational, financial, and other matters relevant to the Trust, including legal, regulatory, and governmental policy developments.
- Reporting to the Board on relevant trends, anticipated media and analyst coverage, material external or internal changes, and any changes in the assumptions upon which any Board decision or approval has previously been made.
- Reporting in a timely manner any actual or anticipated non-compliance with any Board approved policy or decision.
- Advising the Board if, in the CEO's opinion, the Board is not in compliance with its own policies, or legal and/or regulatory requirements.

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- Providing a regular flow of management and financial data to the Board to ensure the Board has the necessary information to make fully-informed decisions.
- Ensuring the Board provides stewardship as well as objective and critical evaluation of management plans. This includes, but is not restricted to, ensuring the Board and all of its committees have adequate resources to fully exercise their duties and responsibilities in compliance with applicable governance and other policies.