

Husky's Approach

Husky has developed an approach to working with Aboriginal communities that guides employees in building and maintaining successful relationships.

2.1 Corporate Commitment

Husky is committed to working with Aboriginal communities to build **mutually-beneficial relationships**. This commitment is embedded in the corporate leadership of Husky's President & Chief Executive Officer Mr. Asim Ghosh who greatly values and supports the development of these relationships.

In building sustainable relationships, Husky seeks a balanced approach that ensures consistency in our interactions while maintaining the flexibility to deal effectively with the dynamic nature of relationship building.

- Sustainable relationships are premised on **effective consultation**
 - Effective consultation is a key aspect of the initial development and on-going relationship with Aboriginal communities.
- Sustainable relationships are enhanced by our **three pillars**:
 - Promoting educational attainment;
 - Supporting community wellness; and
 - Fostering economic development.

3.1 Effective Consultation

In the broad sense, consultation is a process where the views of various parties are obtained, resolved if possible and incorporated into a proposed development. The existence of Aboriginal and treaty rights requires consultation efforts on the part of companies.

Husky's approach to consultation with First Nations is influenced by:

- Husky's corporate commitment;
- Aboriginal and treaty rights, as interpreted by the courts; and
- Provincial government consultation requirements.

Treaty and Aboriginal rights of First Nations and Aboriginal peoples are embedded in Canada's Constitution. Over time, the courts have defined what these rights are; and, in recent years, how these rights interact with resource development. The Supreme Court of Canada's decisions have mandated that **First Nations must be consulted regarding resource development where there is a potential to adversely impact Aboriginal and treaty rights**. The Supreme Court said this responsibility or "duty" lies with governments; and, as such, the provinces have been working to outline just how this consultation should occur. In doing so, governments have imposed increased obligations on resource development companies.

While the duty to consult with Aboriginal communities has been established by the courts as governments' responsibility, in most areas where Husky operates the respective provinces have issued guidelines for consultation undertaken by industry. This means **Husky must consult**

with the First Nation(s) that the respective province deems could be impacted by a development, and must report back to the government on the results of such consultation before an approval will be given.

- *Alberta* issued specific guidelines for industry and First Nations in July 28, 2014
- *Saskatchewan* developed a Framework for First Nation and Métis Consultation Policy in November 2013.
- *British Columbia* established the Oil and Gas Commission for the purpose of consulting with First Nations regarding oil and gas activities, on behalf of companies.

In keeping with the three influences outlined above that guide Husky's approach to consultation, the following identifies the specific parameters of consultation.

1. Husky's consultation with Aboriginal communities is coordinated through Aboriginal Affairs to ensure:
 - Consistency of approaches;
 - Appropriate communities are engaged; and
 - Regulatory requirements are met.
2. Husky will consult with Aboriginal communities that have been identified by provincial authorities as requiring consultation. Additionally, Husky *may* consult with communities the Company has agreements with or who have self-identified as having an interest in a project.
3. Husky employs a flexible approach to consultation that is tailored to the needs and capacity of the community. This may result in a variety of outcomes ranging from a community agreement to a simple shared understanding.
4. Any financial contributions to a community must be for services provided, or in support of Husky's approach to community investment.
5. Husky's level of involvement and investment in Aboriginal communities will reflect the scope of the work that is being undertaken by the Company.

Husky recognizes that the Company's operations may lead to impacts on Aboriginal communities and is committed to effectively consulting with these communities regarding plans for resource development.

3.2 Three Pillars

Along with effective consultation, Husky's Strategy for building sustainable relationships is based on three pillars.

1) *Promoting educational attainment*

In the long-term, academic success equates to improved career success. Husky believes this positively impacts not only the current generation of Aboriginal people, but generations to follow.

2) *Supporting community wellness*

Being a good neighbour means stepping beyond day-to-day business activities and becoming involved in the community. Husky is committed to supporting Aboriginal communities in their efforts to enhance community wellness. The Company also sees great value in sharing our respective cultures to promote mutual understanding and respect.

3) *Fostering economic development*

The support and development of Aboriginal businesses and technical expertise is an ongoing commitment at Husky. The Company's approach is centered upon building capacity, establishing competitiveness and promoting an entrepreneurial spirit.

To promote these pillars, Husky has developed the community investment and education award initiatives.

Community Investment

Husky has an Aboriginal community investment program that supports initiatives in alignment with Aboriginal Affairs' three pillars.

- *Promoting Educational Attainment*
Programs, events and activities that support the academic success of Aboriginal students.
- *Supporting Community Wellness*
Activities that support cultural retention and cross-cultural understandings.
- *Fostering Economic Development*
Initiatives that support and develop Aboriginal businesses to build capacity and be competitive.

All requests for financial or in-kind support should be submitted on-line. Selection decisions are made through a formal process every two months. Requests are reviewed by the Aboriginal Affairs Community Investment Committee in accordance with the corporate guidelines for eligibility and the three pillars.

Aboriginal Education Awards

In addition to funds for community investment, Husky also provides ten education bursaries per year to Aboriginal students. The program is available to Aboriginal individuals who are pursuing

high school upgrading, college or university educations that are related to the oil and gas sector. Further information can be obtained from Husky's Aboriginal Affairs Coordinator.

Husky's Aboriginal Affairs Strategy is premised on effective consultation and sustainable relationships supported by our three pillars. Husky believes that consulting communities regarding our activities and reinforcing our corporate commitment through promoting educational attainment, supporting community wellness and fostering economic development will have a lasting benefit for the Company and for Aboriginal communities.

Husky has active relationships with approximately 55 Aboriginal communities across British Columbia, Alberta and Saskatchewan. Some of these communities have expressed a desire to develop a formal agreement that outlines Husky's contributions to the community and a consultation process pertaining to Husky's activities. Other communities have established processes for consultation that do not require a community agreement. In keeping with Husky's flexible approach to sustainable relationships with Aboriginal communities, the Company has entertained a broad range of agreements with First Nations.

Aboriginal Affairs is working with relevant Business Units to implement a vision for three types of agreements.

- The first would be **Specific Consultation Agreements** that includes some of the current MOUs and Bilateral Cooperation Agreements. These are comprehensive agreements that relate to a specific project and outline detailed financial and other commitments on the part of Husky. The Aboriginal community reciprocates by agreeing not to intervene or object to Husky's project.
- The second type of agreement would be a **General Relationship Agreements**. Relationship Agreements would be inclusive of some of the current Letter Agreements and Cooperation Protocols and simply outline how the respective parties will interact with each other. The agreements are short and may identify process for communication and desired economic opportunities, but are not laden with detailed commitments.
- The third type of agreement is **Fee-For-Service Contracts** that are project specific arrangement. This particular type of arrangement with First Nations outlines services provided to the Company during the consultation process on a specific project or program and do not entail long-term commitments. Fee-For-Service Contracts outlines fees for notification package reviews, any site work that may be required and reports the First Nation may compile that result from the consultation activities. These agreements address streamlining the consultation process to ensure less interaction is required, not more.

Contributions

Aboriginal Affairs' purpose is to provide advisory and relationship support to departments within Husky. Guidance provided to Husky representatives is based on a "big picture" perspective and is targeted at ensuring consistency throughout the Company.

Aboriginal Affairs is also committed to establishing and maintaining relationships with Aboriginal community members, which serve as the foundation for effective consultation. Relationships are also built with Aboriginal businesses. Aboriginal Affairs can assist in determining the capacity of Aboriginal community vendors and confirm safety requirements. Aboriginal Affairs can also

suggest appropriate approaches related to economic participation of Aboriginal companies to Husky field staff and Business Units.

Aboriginal Affairs' knowledge of Aboriginal communities and cultures positions the team as experts in this field. Incorporated into this knowledge is an understanding of government policies and regulations, case law and other companies' approaches that impact Husky's relationships with Aboriginal communities.

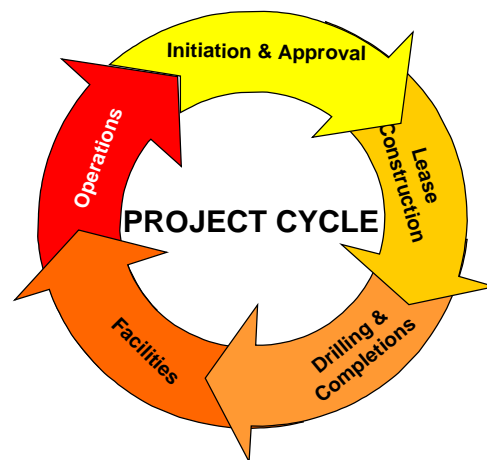
Outcomes

Aboriginal Affairs provides the foundation for Husky's approach to relationships, which achieves the following results:

- Identifying negotiating parameters with Aboriginal communities, based in part on the liberties and restrictions set by precedents;
- Recognition by Aboriginal community members as trustworthy partners;
- Promoting a consistent message that emphasizes the social integrity of the corporation, while fulfilling regulatory requirements;
- Providing proactive leadership in sustaining Aboriginal community relationships; and
- Assisting Aboriginal businesses to become more competitive and successful in their dealings with Husky.

6.0 Consultation in Action

At the project level, the role of key individuals and departments takes on a specific dynamic. **In Alberta, what Husky employee interacts with First Nations, and to what degree, depends on where the project resides on the Project Cycle.** This section elaborates on the roles and interplay of Husky employees over the course of the Project Cycle.



6.1 Initiation & Approval

In the Initiation and Approval phase of the Project Cycle the focus is on acquiring new land leases and well licences (excluding those needed for seismic operations and oil sands projects as a separate process will be developed for these two activities). The Aboriginal Affairs Advisors

are responsible for the development of a consultation plan that considers any commitments Husky may have to a First Nation and the level of consultation required by government.

7.0 Doing Business with Aboriginal Communities

Part of Husky's commitment to sustainable relationships includes fostering the economic development of Aboriginal communities. This does not mean that Husky will pay more to use an Aboriginal business. Rather, **Husky fosters economic development by supporting the capacity and growth of Aboriginal businesses so that they can compete** with other vendors for contracts with the Company. Aboriginal Affairs Advisors' role is to ensure businesses have the qualifications required to bid and, if selected, successfully execute the job. As most Aboriginal businesses relevant to the oil and gas industry are focused on heavy equipment and labourers, the focus on Aboriginal vendors tends to occur in the lease construction phase of a project.

In some cases Husky has commitments to specific Aboriginal vendors under the terms of a community agreement.

