



## RISK COMMITTEE CHARTER

This charter (this “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Risk Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Pinnacle Renewable Holdings Inc. (the “**Company**”).

### 1.0 Purpose:

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Board’s and the Company’s continuing commitment to:

- ensure the safety of the Company’s employees and the public and ensure that the Company’s businesses and facilities are operated and maintained in a safe and environmentally sound manner;
- sustainability and environmentally friendly operations, including sustainable forestry practices;
- ensure the Company manages its book of long-term contracts in a prudent manner; and
- minimize the financial risk of the impact of external factors such as foreign exchange and interest rate movements, among others.

The Committee shall not have responsibility for matters that are subject to the jurisdiction of another committee of the Board pursuant to that committee’s charter. However, in order to allow the Committee to fulfill its responsibility to determine which risks should be brought to the Board’s attention, it is expected that all significant risks be communicated to the Committee, through either direct communication or reporting from other Board committees.

### 2.0 Composition and Membership:

- (a) The Board will appoint the members (“**Members**”) of the Committee. The Members will be appointed to hold office until such Member’s successor is duly appointed or elected, as applicable, and qualified or until such Member’s earlier resignation or removal. The Board may add or remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least one member of the Board who shall satisfy the applicable independence requirements of the Company’s corporate governance guidelines, the Toronto Stock Exchange, and any other applicable regulatory authority.

- (c) The Board will appoint one of the Members to act as the chair of the Committee (the “**Chair**”).
- (d) The Committee may delegate any or all of its functions to any of its Members or any sub-set thereof from time to time as it sees fit.

**3.0 Meetings:**

- (a) The Company will hold meetings of the Committee at such times and places as the Chair may determine. The Chair or designate will give twenty-four (24) hours advance notice of each meeting to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, the Members in attendance may select one of their Members to act as chair of the meeting.
- (c) The Corporate Legal Counsel of the Company will act as secretary of the meetings of the Committee and, if not present, the Committee will appoint any person in attendance at the meeting, who may, but need not, be a Member to act as the secretary of that meeting. The secretary will maintain minutes of the meeting and deliberations of the Committee and will circulate the minutes of each meeting of the Committee to the members of the Board.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and the Committee will make decisions by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. The Committee may also exercise their powers by written resolutions signed by all Members.
- (e) The Committee may invite from time to time such other persons, including, but not limited to, management, outside counsel, risk management consultants or other experts, as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may, in its discretion, meet in camera without members of management in attendance for a portion of each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chair will prepare and distribute an agenda of matters to be addressed at the meeting, together with appropriate briefing materials, to the Members and others as deemed appropriate by the Chair. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

**4.0 Duties and Responsibilities:**

The following functions shall be the common recurring activities of the Committee in carrying out

its purposes outlined above. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purpose of the Committee outlined above.

- (a) Review and oversee the Company's health, safety, sustainability and environmental policies, programs, issues and initiatives;
- (b) Oversee the development of, and review, assess and discuss, as and when appropriate, with management, the Company's policies and processes related to enterprise risk assessment, management, reporting and response, including limits and tolerances, risk roles and responsibilities, risk appetite and profile and risk mitigation decisions;
- (c) Review associated risks that affect or could affect the Company, the Company's employees and the public and ensure proper management of those risks;
- (d) Ensure that the Company's business strategy and implementation is consistent with its risk policies, appetite and profile and that risk assessment is an integral aspect of the business strategic planning process; and
- (e) Review and evaluate management's implementation of the Company's risk strategy.

**5.0 Reporting:**

At the request of the chair of the Board, the Chair will report to the Board at Board meetings on the Committee's activities since the last Committee report to the Board.

**6.0 Access to Information and Authority:**

The Committee will have the authority to conduct investigations into any matters within its scope of responsibility.

The Committee will have the authority to retain independent counsel, accounting or other advisors and to obtain advice and assistance from such advisors, as necessary to perform its duties and responsibilities.

**7.0 Review of the Charter and the Committee:**

The Committee will review and assess annually the adequacy of this Charter and the Committee's performance and recommend any proposed changes to the Board for consideration.

Dated: January 22, 2018  
Approved by: Board of Directors