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The Board of Directors and senior management of the Corporation consider good corporate governance to be essential to the effective operation of the Corporation. As part of the Corporation's commitment to effective corporate governance, the Board of Directors, with the assistance of its Corporate Governance & Nominating Committee, monitors changes in legal requirements and best practices. Governance of corporate responsibility issues at Enerplus rests with the entire Board of Directors. However, a Safety & Social Responsibility (S&SR) Committee has been struck to assist the Board in carrying out its responsibilities with respect to the development and implementation of an effective S&SR management system, to ensure that the Corporation's activities are planned and executed in a safe and responsible manner and that there are adequate systems in place to support ongoing compliance with the Corporation's regulatory obligations. This includes:

- reviewing the Corporation's S&SR programs, policies and performance;
- reviewing the status of significant remediation projects, developments and environmental provisions;
- ensuring that long-range preventive programs are in place to mitigate future risks;
- participating in periodic visits to one of the Corporation's operating facilities; and
- receiving an annual compliance certificate from management.

## **Enerplus' Corporate Governance Practices**

- Enerplus' Board of Directors is elected annually by the Corporation's shareholders and composed of 14 members, 13 of whom are considered independent. The CEO is the only member of the Board who is not independent.
- The Chairman of the Board is an independent director and only independent directors serve on committees.
- The Board of Directors meets a minimum of six times per year. Each scheduled Board and committee meeting is followed by an in-camera discussion of the independent directors without the presence of management or the CEO.
- The Corporate Governance & Nominating Committee is responsible for and has implemented procedures for the orientation and education of Board members. These procedures assist in defining a new director's role and responsibilities while serving as a director and for ensuring the continued development of existing Board members. Any potential issues of conflict of interest relating to Board members are also addressed by this Committee as they arise. Directors must advise the chairman of the Corporate Governance & Nominating Committee before accepting an invitation to serve on the board of another public company.

- The Corporate Governance & Nominating Committee of the Board annually reviews each director's past performance to determine that director's suitability for continuation on the Board. Board members are annually assessed by their peers with respect to their effectiveness and contribution.
- The Corporate Governance & Nominating Committee annually reviews and makes recommendations to the Board regarding director remuneration.
- The Board annually reviews employee and director compliance with Enerplus' Code of Business Conduct policy.
- Position descriptions are in place for the Chairman of the Board, the Chair of each Board Committee and the CEO. Committees of the Board, and the Board itself, operate in accordance with a charter and work plan outlining their respective duties and responsibilities.
- Together with management, the Board attends an annual strategic session to review, amend or adopt long-term strategies and new corporate objectives for Enerplus for the upcoming year.
- The Board favours rotation of committee assignments and chairs, where practicable, to broaden the exposure of individual directors and introduce new perspectives to the Board committees.
- During their tenure, each of the directors is required to maintain ownership of a minimum of 5,000 of the Corporation's shares within five years from February 25, 2010 or from the date of the director's appointment to the Board, whichever is later.
- The Board does not participate in any type of stock option plan of the Corporation.
- No person shall be nominated by the Board to serve as a director after he or she has passed his or her 72nd birthday, unless the Corporate Governance & Nominating Committee has voted, on an annual basis, to waive or continue to waive, the mandatory retirement age of such person as a director.
- When describing compensation policies and disclosing compensation awarded to directors, the CEO and named executives, Enerplus exceeds the legally required standards and endeavours to disclose this information in a fulsome and transparent manner in its annual corporate disclosure documentation.
- Executives are obligated to maintain a minimum ownership in Enerplus shares. The President & CEO is required to maintain three times his salary in shares, while other executives are required to hold two times or one times their salary in shares, depending on their seniority.
- The Corporation has designated periods in which the trading of the Corporation's securities by directors, officers and employees is prohibited.