

**BENNETT ENVIRONMENTAL INC.**

**CORPORATE GOVERNANCE PRINCIPLES**

(Adopted March 2, 2005)

**I. BOARD ISSUES:**

**A. Membership:**

**1. Size of Board.**

The Board's optimum size is 6-9 members.

**2. Mix of Directors; "Independent" Directors.**

A majority of the Directors shall satisfy the independence requirements of the Toronto Stock Exchange, the American Stock Exchange and any other regulatory authority.

**3. Board Membership Criteria.**

The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should be selected based upon contributions they can make. Directors should plan to make a significant time commitment to the Company.

**4. New Directors.**

The Corporate Governance and Nominating Committee has, as one of its responsibilities, the screening and recommendation of director candidates to the full Board.

**5. Retirement; Resignation.**

**a. Term Limits.**

The Board does not favour term limits for Directors, but regularly monitors overall Board performance.

**b. Resignation Policy - Management Directors.**

Management Directors shall offer to resign from the Board upon their resignation, removal or retirement as an officer of the Company. However, Company's chief executive officer may, provided the Board approves, continue to serve as a director after his resignation or retirement for a transition period of up to one year after the date he or she ceases to be the Company's chief executive officer.

**B. Conduct:**

**1. Board Meetings.**

**a. Selection of Agenda Items.**

The Chairman and Chief Executive Officer shall establish the agenda for Board meetings after consultation with other board members.

**b. Distribution of Materials.**

The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, written materials for use at Board meetings. Such written materials shall be prepared with an emphasis on brevity and shall include recommendations for action as appropriate in the circumstances.

**c. Attendance of Non-Directors.**

The Board believes that attendance of key executive officers augments the meeting process.

**d. Number of Meetings; Attendance and Preparation.**

The Board of Directors shall hold a minimum of four meetings per year. Directors are expected to make a maximum effort to attend all meetings and to have reviewed all written meeting materials distributed to them prior to the meeting. Directors are encouraged to be physically present at all meetings. However, conference telephone, videoconference, or similar communication equipment attendance at a meeting will generally be permitted, if necessary.

**e. Executive Sessions.**

The independent Directors of the Board will meet in executive session at least once each year without any non-independent Directors, management Directors and any other members of the Company's management who may otherwise be present. The independent Directors will designate a Director who will preside at the executive sessions.

**2. Conflicts of Interest.**

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from Directors in order to monitor potential conflicts of interest and Directors are expected to be mindful of their fiduciary obligations to the Company.

**3. Consulting Agreements with Directors.**

The Board believes that the Company should not enter into paid consulting arrangements

with outside Directors or their employers, without obtaining the Board's approval. Such approval may, in appropriate circumstances, be granted on an annual basis, subject to compliance with independence requirements of the Toronto Stock Exchange, the American Stock Exchange and any other regulatory authority.

**4. Share Ownership by Directors.**

The Board believes that the number of shares of the Company's stock owned by each Director is a personal decision, and encourages stock ownership.

**5. Compensation Review.**

The Human Resources and Compensation Committee will annually review, and (when it deems appropriate) recommend to the full Board changes in, director compensation and benefits with equity ownership in the Company encouraged.

**6. Assessing Board and Committee Performance.**

The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Board's self-evaluation shall be based, in part, on the Human Resources and Compensation Committee's assessment questionnaire.

**7. Access to Senior Management.**

Board members have complete and open access to senior members of management. The Chief Executive Officer shall invite key employees to attend Board sessions at which the Chief Executive Officer believes they can meaningfully contribute to Board discussion.

**8. Interaction with Third Parties.**

The Board believes that management should speak for the Company (as designated pursuant to the Company's Disclosure Policy) and that the Chairman should speak for the Board.

**9. Confidentiality.**

The Board believes maintaining confidentiality of information and deliberations is an imperative.

**II. COMMITTEE ISSUES:**

**1. Board Committees; Committee Charters.**

The Board currently has the following four Committees: Audit, Human Resources and Compensation, Corporate Governance and Nominating, and Environmental and Safety Review. The Committees shall each consist of three or more Directors, each of whom shall satisfy the independence (and, in the case of the Audit Committee, the financial

literacy and experience) requirements of the Toronto Stock Exchange, the American Stock Exchange and any other regulatory requirements.

The Audit Committee, the Human Resources and Compensation Committee, the Corporate Governance and Nominating Committee and the Environmental Review and Safety Committee shall each have appropriate written charters approved by the Board.

**2. Rotation of Committee Assignments and Chairs.**

Committee assignments and the designation of Committee Chairs should be based on the Director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of Committee assignments or Chairs. The Board believes experience and continuity are more important than rotation. Board members and Chairs should be rotated only if rotation is likely to increase Committee performance.

**3. Frequency of Committee Meetings; Attendance.**

Committees shall have at least four regularly scheduled meetings each year. Committee members are encouraged to be physically present at all meetings. Conference telephone attendance at a meeting will be permitted if it is necessary.

**III. DUTIES AND RESPONSIBILITIES OF THE COMMITTEES:**

**1. Audit Committee.**

The Audit Committee has the powers and responsibilities set forth in its Charter. The role of the Audit Committee is oversight. The members of the Audit Committee must be Directors who satisfy the independence and the financial literacy and experience requirements of the Toronto Stock Exchange, the American Stock Exchange and any other regulatory requirements. However, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of Management and the Company's independent auditors.

**2. Human Resources and Compensation Committee.**

The Human Resources and Compensation Committee shall have the powers and responsibilities set forth in its Charter.

**3. Corporate Governance and Nominating Committee.**

The Corporate Governance and Nominating Committee shall have the powers and responsibilities set forth in its Charter.

4. **Environmental Review and Safety Committee.**

The Environmental Review and Safety Committee shall have the powers and responsibilities set forth in its Charter.

5. **Special Committees.**

The Board may from time to time establish one or more special committees to deal with any special matters that the Board deems advisable. The appointment of any special committee and the mandate of any special committee must be approved by the Board.