

March 2009

**TERMS OF REFERENCE  
FOR THE CHIEF EXECUTIVE OFFICER OF  
NOVA CHEMICALS CORPORATION (the “Corporation”)**

**I. INTRODUCTION**

- A. The Chief Executive Officer reports to the Board of Directors (the “Board”) of the Corporation, and maintains open communication with the Chair of the Board.
- B. The Chief Executive Officer’s primary responsibilities include:
  - i) providing overall leadership and vision in developing, in concert with the Board of Directors, the Corporation’s strategic direction and the tactics and business plans necessary to realize corporate objectives; and
  - ii) managing the overall business to ensure strategic and business plans are effectively implemented, the results are monitored and reported to the Board, and financial and operational objectives are attained.

**II. DUTIES AND RESPONSIBILITIES**

- A. Lead and manage the Corporation within parameters established by the Board and relevant committees of the Board.
- B. Develop and recommend strategic plans to the Board that ensure the Corporation’s profitable growth and overall success. This includes updating and making changes as required, and involving the Board in the early stages of developing strategy.
- C. Successfully implement the corresponding business and operational plans. Review and report regularly to the Board on the overall progress and results against operating and financial objectives and initiate courses of action for improvement.
- D. Keep the Board fully informed on all aspects of the Corporation’s operational and financial affairs, and on all matters of significant relevance to the Corporation. This includes external items emanating from governments and regulators on issues such as fiscal and monetary policies, legislation, etc.

- E. Develop annual capital commitment and expenditure budgets for approval by the Board.
- F. Develop 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 except for those components specifically utilized in setting objectives for compensation purposes.
- G. Authorize the commitment of funds to capital projects included in budgets approved by the Board. Authorize capital or operating expenditures not included in a budget or otherwise approved by the Board to a maximum set forth in the Corporation's Delegation of Authority Policy or other relevant policies approved by the Board.
- H. Authorize commitment of corporate resources. Enter into agreements, contracts, leases, etc. in the ordinary course of business, in order to pursue the approved strategies, business plans, and objectives of the Corporation, provided however, that major commitments, exposures, and risks shall be reported to the Board in a regular and timely basis.
- I. Develop and maintain a sound, effective organization structure, and ensure capable management succession, progressive employee training and development programs.
- J. Annually establish and maintain a Board approved plan for senior management development and succession.
- K. Provide the Board, at Board and committee meetings, with exposure to the Corporation's key management.
- L. Authorize and ensure the development of disclosure controls and procedures that are effective to ensure that information required to be disclosed by the Corporation in reports that it files or submits under applicable laws and regulations is recorded, processed, summarized and reported within the time periods specified in such laws and regulations and is accumulated and communicated to the Corporation's management to allow timely decisions regarding required disclosure

- M. Ensure that all members of the organization have their responsibilities and authorities clearly established.
- N. Authorize and ensure that effective control and co-ordination and mechanisms for all operations and activities are in place, including the establishment and maintenance of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. Ensure the integrity of the Corporation's management information systems.
- O. Maintain or cause to be maintained such industry, governmental, public or other external relationships as are deemed advisable and in the interests of the Corporation.
- P. Ensure the Corporation's assets are adequately safeguarded and optimized in the best interests of the shareholders.
- Q. Ensure effective communications and appropriate relationships are maintained with the shareholders of the Corporation and other stakeholders.
- R. Manage and oversee the required interfaces between the Corporation and the public and act as the principal spokesperson for the Corporation.
- S. Ensure the safe, efficient operation of the Corporation and ensure compliance with the Corporation's environment, health and safety policies and practices.
- T. Ensure when members of the executive leadership team are considering significant public service commitments and/or accepting outside board appointments, they seek Board approval.
- U. Develop a working environment in which all operations and activities of the Corporation are conducted in accordance with laws, regulations, the Corporation's Business Conduct Policy and Code of Ethics, sound business practice and in accordance with the policies and practices approved by the Board. Foster a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility.

- V. Incorporate in all actions, honest and ethical conduct, including ethical handling of actual and apparent conflicts of interest and full, fair, accurate and timely disclosure of information.