



**Notice of Annual General and Special Meeting of  
Shareholders to be  
held on June 18, 2019**

**Management Information Circular**

**May 22, 2019**

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**PIERIDAE ENERGY LIMITED.**

**3100, 308 – 4<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

The annual general and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Pieridae Energy Limited (“**Pieridae**” or the “**Corporation**”) will be held at 400 3rd Avenue SW, Suite 3700, Calgary, Alberta on June 18, 2019 at 10:00 AM to:

1. receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2018, together with the report of the auditor thereon;
2. elect the directors of the Corporation for the ensuing year;
3. appoint the auditors of the Corporation for the ensuing year and authorize the board of directors to fix the remuneration of the auditors;
4. to consider and, if deemed advisable, to pass an ordinary resolution approving the Employee RRSP Matching Plan (as described below);
5. to consider and, if deemed advisable, to pass an ordinary resolution approving the Director Compensation Policy (as described below);
6. to consider and approve a special resolution to amendment of the articles of the Corporation in order to create a new class of preferred shares, issuable in one or more series (as described below); and
7. to transact any other business which may be properly brought before the Meeting.

The enclosed management information circular contains additional information on matters to be discussed at the Meeting and of its adjournment and, in this respect, is hereby deemed to be an integral part of this notice.

Shareholders that are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the form of proxy must be received by Computershare Trust Company of Canada, Attention: Proxy Dept., by mail: 100 University Ave., 8th Floor, Toronto, Ontario, M5J 2Y1, Alternatively, Shareholders may use the internet ([www.investorvote.com](http://www.investorvote.com)) or the telephone (1-866-732-VOTE (8683)) to transmit voting instructions. In each case, proxies must be received not later than 5:00 PM (Mountain time) on June 14<sup>th</sup>, 2019, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays), before the time for holding the Meeting or any adjournment thereof.

Non-Registered Shareholders (as defined below) who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form. **If you are a Non-Registered Shareholder and do not complete and return the materials in accordance with such instructions, you may not be entitled to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Trust Company of Canada by telephone (toll-free) at 1-800-564-6253.

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Dated May 22, 2019.

BY ORDER OF THE BOARD OF DIRECTORS  
(signed) Thomas Ciz  
Thomas Ciz  
General Counsel and Corporate Secretary

**To be effective at the Meeting, proxies must be deposited with Computershare Trust Company of Canada no later than 48 hours prior to the commencement of the Meeting.**

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## **MANAGEMENT INFORMATION CIRCULAR**

This Management Information Circular (the “**Circular**”) is provided in connection with the solicitation by the management (“**Management**”) of Pieridae Energy Limited (“**Pieridae**” or the “**Corporation**”) of proxies for use at the Corporation’s annual general and special meeting of the holders (“**Shareholders**”) of common shares of the Corporation (the “**Common Shares**”) to be held on June 18, 2019 (the “**Meeting**”) or at any adjournment or postponement thereof at the time and place and for the purposes set forth in the accompanying notice of annual general and special meeting of the Shareholders to be held on June 18, 2019 (the “**Notice of Meeting**”). Unless otherwise indicated, all information in this Circular is given as of December 31, 2018, and all dollar amounts are stated in Canadian dollars.

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## PROXY INFORMATION

### Solicitation of Proxies

It is anticipated that the solicitations will be made primarily by mail in relation to the delivery of the Circular. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Corporation. The cost of the solicitation will be borne by the Corporation. The Corporation has arranged for Intermediaries (as defined below) to forward the meeting materials to Non-Registered Shareholders (as defined below) and the Corporation will reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

### Appointment and Revocation of Proxies

The person(s) designated by Management in the enclosed form of proxy are directors and/or officers of the Corporation (the “**Management Proxyholders**”). **Each Shareholder has the right to appoint as proxyholder any person (who need not be a Shareholder or a Management Proxyholders) to attend and act on the Shareholder’s behalf at the Meeting or at any adjournment or postponement thereof. Such right may be exercised by striking out the names of the person(s) printed in the accompanying form of proxy and inserting the full legal name of the person in the blank space provided in the enclosed form of proxy or by completing another suitable form of proxy and, in either case, delivering the completed and executed form of proxy as provided below.**

In the case of registered Shareholders (“**Registered Shareholders**”), the completed, signed and dated form of proxy should be sent in the addressed envelope enclosed to Computershare Trust Company of Canada, Attn: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. Alternatively, Registered Shareholders may vote by telephone by calling 1-866- 732-8683 (toll-free) or by using the internet at [www.investorvote.com](http://www.investorvote.com). Non-Registered Shareholders who receive these materials through their broker or other Intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or other Intermediary. To be effective, a proxy must be received no later than 5:00 PM (Mountain time) on June 14th, 2019, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays), before the time for holding the Meeting or any adjournment thereof.

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing, including another proxy bearing a later date, signed by the Shareholder or by the Shareholder’s attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the Shareholder or by the Shareholder’s attorney, who is authorized in writing, to the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment or postponement of the Meeting, the last business day preceding the day of the adjournment or postponement, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment or postponement thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.

### Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the Management Proxyholders will be voted or withheld from voting in accordance with the instructions given on the ballot. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

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In the absence of any direction in the instrument of proxy, such Common Shares will be voted in favour of the matters set forth in the accompanying Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, Management is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment or postponement thereof, the Common Shares represented by properly executed proxies given in favour of the Management Proxyholders will be voted on such matters pursuant to such discretionary authority.

## **Non-Registered Holders**

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. However, in many cases, Shareholders are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person (a “**Non-Registered Shareholder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Shareholders do not appear on the list of Shareholders maintained by the transfer agent.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as Non-Objecting Beneficial Owners (“**NOBOs**”). Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as Objecting Beneficial Owners (“**OBOs**”). In accordance with the requirements as set out in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list return card (collectively, the “**Meeting Materials**”) to Intermediaries for onward distribution to NOBOs and OBOs. The Corporation will pay for Intermediaries to deliver the Meeting Materials to OBOs.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

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- a. Be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Non-Registered Shareholder must complete the form of proxy and deposit it with the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, as provided above. If a Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Non-Registered Shareholder must strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided; or
  - b. More typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a barcode and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Shareholder.

In either case, the purpose of this procedure is to permit a Non-Registered Shareholder to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Non-Registered Shareholder's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered. Only Registered Shareholders have the right to revoke a proxy. A Non-Registered Shareholder who wishes to change its vote must arrange for its Intermediary to revoke its proxy on its behalf.

## **VOTING SHARES**

### **Voting Shares**

The authorized voting securities of the Corporation consist of an unlimited number of Common Shares. As at the Record Date (as defined below), the Corporation had 84,121,990 Common Shares issued and outstanding, each carrying the right to one vote. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

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The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**PEA**”.

## **Record Date**

The board of directors of the Corporation (the “**Board**”) has fixed May 14<sup>th</sup>, 2019 (the “**Record Date**”) as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. In accordance with the provisions of the *Canada Business Corporations Act* (the “**CBCA**”), the Corporation or its transfer agent will prepare a list of holders of Common Shares on the Record Date. Each Shareholder named in the list or such Shareholder’s proxy will be entitled to vote the Common Shares shown opposite such Shareholder’s name on the list at the Meeting.

## **Quorum**

A quorum will be present at the Meeting if there are at least two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled and representing in the aggregate not less than 5% of the outstanding Common Shares. If a quorum is present at the opening of the Meeting, the Shareholders present or represented may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholder(s) present or represented may adjourn the Meeting to a fixed time and place but may not transact any other business.

## **Principal Shareholders**

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, no person beneficially owned, controlled or directed, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares except the following:

- Electron Capital Partners, LLC filed a report dated January 7, 2019, with securities regulators stating that it controls 9,325,134 (or approximately 13.2%) of the issued and outstanding Common Shares as at the date of the report; and
- Alfred Sorensen Holdings Ltd., a private corporation controlled by Mr. Alfred Sorensen, is the registered holder of 9,859,235 (or approximately 11.72%) of the issued and outstanding Common Shares on the Record Date.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Circular, Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. All of the directors and executive officers of the Corporation may receive incentive stock options pursuant to the Stock Option Plan.

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## SHAREHOLDERS QUESTIONS AND ANSWERS

### *Who is soliciting my proxy?*

The Management of Pieridae is soliciting your proxy for use at the Annual General and Special Meeting of Shareholders to be held on June 18, 2019.

### *What will I be voting to?*

You will be voting on:

- a. elect the directors of the Corporation for the ensuing year;
- b. appoint the auditors of the Corporation for the ensuing year and authorize the board of directors to fix the remuneration of the auditors;
- c. consider and, if deemed advisable, to pass an ordinary resolution approving the Employee RRSP Matching Plan (as described below);
- d. consider and, if deemed advisable, to pass an ordinary resolution approving the Director Compensation Policy (as described below);
- e. consider and approve a special resolution, the full text of which is set forth herein, to approve the amendment of the articles of the Corporation in order to create a new class of preferred shares, issuable in one or more series, all as more particularly described herein; and
- f. transact any other business which may be properly brought before the Meeting.

### *What else will happen at the Meeting?*

The financial statements for the year ended December 31, 2018, together with the auditors' report on these statements, will be presented at the Meeting.

### *How will these matters be decided at the meeting?*

A majority of votes cast, by proxy or in person, will constitute approval of each of the matters specified in this Circular.

### *How many votes do I have?*

You will have one vote for each Common Share that you hold at the close of business on the Record Date (May 14, 2019). In order to vote the Common Shares that you acquired after the Record Date, you must, no later than the commencement of the Meeting:

- a. request that the Corporation add your name to the list of voters; and
- b. properly establish ownership of the Common Shares or produce properly endorsed share certificates evidencing that the Common Shares have been transferred to you.

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### *How many shares are eligible to vote?*

At the close of business on the Record Date, there were 84,121,990 Common Shares issued and outstanding. Each Common Share held by you at that Record Date entitles you to one vote. Electron Capital Partners, LLC filed a report dated January 7, 2019, with securities regulators stating that it controls 9,325,134 (or approximately 13.2% of the Corporation's Common Shares as at the date of the report. Alfred Sorensen Holdings Ltd., a private corporation controlled by Mr. Alfred Sorensen, the Chief Executive Officer of the Corporation, holds 9,859,235 (or approximately 11.72%) of the Common Shares. To the knowledge of the directors and officers of the Corporation as of the Record Date, no other person or corporation owns or exercises control or direction over 10% or more of the issued and outstanding Common Shares.

### *How do I vote?*

If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares in person at the Meeting or by proxy, as explained in detail in the section "Voting of Proxies" above. If your Common Shares are registered in the name of an Intermediary, such as a bank, trust company, securities broker or other financial institution, please see the instructions below under the heading "How can a Non-Registered Shareholder vote?"

### *How can a Non-Registered Shareholder vote?*

If your Common Shares are not registered in your name, they will be held by an Intermediary such as a bank, trust company, securities broker or other financial institution. **Each Intermediary has its own procedures that should be carefully followed by Non-Registered Shareholders to ensure that their Common Shares are voted at the Meeting, including when and where the proxy or voting instruction form (or proxy authorization form) is to be delivered.** If you are a Non-Registered Shareholder, you should have received this Circular, together with either (a) the voting instruction form (or proxy authorization form) from your Intermediary to be completed and signed by you and returned to the Intermediary in accordance with the instructions provided by the Intermediary, or (b) a form of proxy, which has already been signed by the Intermediary and is restricted as to the number of Common Shares beneficially owned by you, to be completed by you and returned to the Corporation's transfer agent no later than 48 hours prior to the commencement of the Meeting. To vote in person at the Meeting, a Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend, and vote will be forwarded to the Non-Registered Shareholder.

### *How can a Registered Shareholder vote by proxy?*

In addition to voting in person at the Meeting, you may vote by mail by completing the form of proxy and returning it in the enclosed envelope to Computershare Trust Company of Canada (the "Transfer Agent"). **You may also appoint a person (who need not be a shareholder), other than one of the directors or officers named in the form of proxy, to represent you at the Meeting by inserting the person's name in the blank space provided in the form proxy and returning the proxy to the Transfer Agent no later than 48 hours prior to the commencement of the Meeting.**

You may also vote by phone or via the Internet. To vote by phone, in Canada and the United States only, call the toll-free number listed on the form of proxy from a touch tone phone. When prompted, enter your Control Number listed on the form of proxy and follow the voting instructions. To vote via the Internet, go to the website specified on the proxy and enter your Control Number listed on the form of proxy and follow the voting instructions on the screen. **If you vote by telephone or via the Internet, do not complete or return the proxy form.**

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***How will my proxy be voted?***

On the form of proxy, you can indicate how you would like your proxyholder to vote your Common Shares for any matter put to a vote at the Meeting and on any ballot, and your Common Shares will be voted accordingly. **If you do not indicate how you want your Common Shares to be voted, the persons named in the form of proxy intend to vote your Common Shares in the following manner:**

- a. for the election of Management's nominees for directors;
- b. for the appointment of Management's nominee, Ernst & Young LLP, as the auditors and for the authorization of the directors to fix the remuneration of the auditors;
- c. for the approval of the Employee RRSP Matching Plan;
- d. for the approval of the Director Compensation Policy;
- e. for the approval of a creation of a new class of preferred shares; and
- f. for Management's proposals generally.

***What if I want to revoke my proxy?***

You can revoke your proxy at any time prior to its use. You may revoke your proxy by requesting, or having your authorized attorney request, in writing to revoke your proxy. This request must be delivered to the Corporation's address (as listed in this Circular) before the last business day preceding the day of the Meeting or to the Chairperson of the Meeting on the day of the Meeting or any adjournment.

***How are proxy solicited?***

The solicitation of proxies will be primarily by mail; however, proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The cost of this solicitation will be paid by the Corporation.

***How are meeting materials delivered to Shareholders?***

Meeting Materials are sent to Registered Shareholders directly. Meeting Materials are sent to Intermediaries to be forwarded to all Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. The Corporation pays the cost of delivery of Meeting Materials for all Registered Shareholders and Non-Registered Shareholders, including to Intermediaries for delivery to objecting Non-Registered Shareholders.

## BUSINESS OF THE MEETING

### Election of Directors

The current number of directors is six and the Board has fixed the number of directors to be elected at the Meeting at seven, with the seven nominees being:

Myron A. Tétreault  
 Alfred Sorensen  
 Charles Boulanger  
 Charle Gamba (new nominee)

Andrew Judson  
 Kjell Pedersen  
 Tim De Freitas

Each director will hold office until the conclusion of the next annual general meeting of the Corporation or until the successor of such director is duly elected or appointed, unless such office is earlier vacated.

In the absence of a contrary instruction, the Management Proxyholders intend to vote FOR the election as directors of the proposed nominees whose names are set forth above, each of whom has been a director since the date indicated opposite the proposed nominee's name.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person or the person's associates or affiliates as at the Record Date. The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually, and such information does not include Common Shares issuable upon the exercise of options, warrants or other convertible securities of the Corporation.

Except as indicated below, each of the proposed nominees has held the principal occupation shown beside the nominee's name in the table below or another executive office with the same or a related company, for the last five years.

NAME, CITY AND PLACE OF RESIDENCE <sup>(1)</sup>	POSITION WITHIN THE CORPORATION	PRINCIPAL OCCUPATION	DIRECTOR SINCE	NUMBER OF SHARES BENEFICIALLY OWNED CONTROLLED, OR DIRECTED <sup>(2)</sup>	Meetings Attended in 2018
Myron A. Tétreault <sup>(3)(5)</sup> Calgary, Alberta, Canada	Chairman	Chairman of Calafate Holdings Ltd. since 1999. Director of Fitzroy Developments Ltd. since 2004. Director of Fitzroyalty Management GP Inc. and West Aspen Holdings Ltd. since 2018. Director of Northern Vision Development Corp from 2004 to 2018. Currently Lead director of PHX Energy Services Corp. since 2012 (and director or officer of PHX Energy Services Corp. and its predecessor since 1997),	March 20, 2009	169,522 <sup>(6)</sup>	Board:13/13 Audit: 4/4 Reserve and HSE:3/3

Alfred Sorensen (4) Calgary, Alberta, Canada	President, Chief Executive Officer and Director	President and chief executive officer of Pieridae since its founding in 2012. Prior thereto, a principal founder of Galveston LNG Inc. Currently Director of Canadian Spirit Resources Inc. since January 2012.	May 29, 2012	9,859,235 (7)	Board:13/13 Governance and Compensation: 2/2
Andrew Judson (3)(4) Calgary, Alberta, Canada	Director	Director of Condor Petroleum Inc. since January 2019. Director and senior advisor of Daytona Power Corp since April 2018. Prior thereto, managing partner of Camcor Partners Inc. since 2013. Prior thereto, a managing director with FirstEnergy Capital Corp. since September 2007.	June 12, 2015	9,539 (8)	Board:13/13 Audit:4/4 Governance and Compensation: 4/4
Charles Boulanger (3)(5) Quebec, QC, Canada	Director	President and chief executive officer of LeddarTech Inc. and president of Moody Management Inc.	December 11, 2012	51,980 (9)	Board:13/13 Audit: 4/4 Reserve and HSE:5/5
Kjell Pedersen Stavanger, Norway (4) (5)	Director	Director of Det Norske Oljeselskap AS from 2015 until 2016. Prior thereto, was Chairman of Aibel AS from April 2013 until March 2015. Prior thereto, CEO of Petoro AS from 2001 until 2013. Mr. Pedersen was also Vice-Chairman of the Board of AHLP from June 2014 until July 2016.	June 27, 2018	4,675 (10)	Board:6/6 Governance and Compensation: 2/2 Reserve and HSE:2/2
Tim De Freitas (5) Calgary, Alberta, Canada	Chief Operating Officer and Director	President and chief executive officer of Ikkuma from May 2014 to December 21, 2018. Prior thereto, vice president, exploration and chief operating officer of Manito Energy Inc. from inception in 2005 until October 2013.	December 21, 2018	231,862 (11)	NA
Charle Gamba	Director	President and chief executive officer of Canacol Energy Ltd. which he founded in 2008. He has held a variety of technical and management roles with major and mid-sized international oil companies, with the majority of his professional career focused on exploration and production in South America. Prior to Canacol, Mr. Gamba was vice president of exploration for Occidental Oil & Gas Company based in Bogota, Colombia. In his 8 years with Occidental, he has lived and worked in Ecuador, Qatar, Colombia, and the United States, working in a variety of technical and management roles. Mr. Gamba has also worked for Alberta Energy Company in Argentina and Ecuador, and for Canadian Occidental in Indonesia, Australia, and Canada. He started his career as a geologist with Imperial Oil in Calgary and holds an MSc and PhD in Geology.	Nominee	81,213 (12)	NA

**Notes:**

- (1) All of the directors will hold office until the next annual meeting of Shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated. The information as to province and country of residence, principal occupation or employment and Common Shares beneficially owned is not within the knowledge of the Management and has been furnished by the respective nominees.
- (2) The directors have provided the information concerning the shares that they control.

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- (3) Members of the Audit Committee.
  - (4) Members of the Compensation and Governance Committee. Alfred Sorensen was a member of the Compensation and Governance Committee until July 2018 when Kjell Pedersen joined the Board and the Compensation and Governance Committee.
  - (5) Members of the Reserve and Health, Safety and Environment (HSE) Committee. Myron Tétreault was a member of the Reserve and HSE Committee until July 2018 when Kjell Pedersen joined the Board and the Reserve and HSE Committee. Tim De Freitas joined the Reserve and HSE Committee in April 2019.
  - (6) Not including 232,291 shares that may be issued to him through options.
  - (7) Not including 195,000 shares that may be issued to him through options.
  - (8) Not including 441,150 shares that may be issued to him through options.
  - (9) Not including 147,915 shares that may be issued to him through options.
  - (10) Not including 125,000 shares that may be issued to him through options.
  - (11) Not including 100,152 shares that may be issued to him through exercise of warrants.
  - (12) Not including 51,360 shares that may be issued to him through exercise of warrants.

### *Cease Trade Orders, Bankruptcies, Penalties and Sanctions*

Other than as described below, no proposed director is as at the Record Date, or has been:

- a. within 10 years of the date thereof, a director or chief executive officer or chief financial officer of any company, including the Corporation, that:
  - i. while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
  - ii. was subject to an event that resulted in the company, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of the company, being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, or
- b. within 10 years of the date thereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- c. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Corporation, other than disclosed below, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a security regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

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Charle Gamba was formerly a director of Solimar Energy Limited ("Solimar") from September 12, 2011 to December 12, 2014, upon which date all of the directors and officers resigned. On December 3, 2015, December 8, 2015 and December 21, 2015, the common shares of Solimar were cease traded by the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission, respectively, as a result of the failure by Solimar to file various continuous disclosure documents, including interim financial statements and related management's discussion and analysis for the three-month period ended September 30, 2014, together with the related certification of filings thereto.

No proposed director of the Corporation is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Corporation acting solely in such capacity.

### **Appointment of Auditors**

The Board proposes to appoint Ernst & Young LLP, Chartered Professional Accountants, as auditors of the Corporation at remuneration to be fixed by the Board.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual general meeting of Shareholders or until a successor is appointed and authorizing the Board to fix the remuneration of the auditors.

### **Approval of the Employee RRSP Matching Plan**

At the Meeting, Shareholders will be asked to approve an Employee RRSP Matching plan in the form attached as Schedule A of this Circular (the "**Employee RRSP Matching Plan**").

The following is a summary of certain key terms of the Employee RRSP Matching Plan.

The Corporation has adopted the Employee RRSP Matching Plan to provide additional incentives to attract, retain and motivate employees.

The Employee RRSP Matching Plan provides that the number of Common Shares issuable under the Employee RRSP Matching Plan is linked to employees' contributions to their personal registered retirement savings plan and subject to the maximum contributions allowable under the Income Tax Act (Canada). Value of the shares issued is equal to the market value of the shares on the settlement date.

Employees of the Corporation are entitled to participate in the Employee RRSP Matching Plan if they are engaged with the Corporation at the time of payment thereunder.

#### *Approval Required for Employee RRSP Matching Plan*

The resolution respecting the Employee RRSP Matching Plan (the "**RRSP Matching Resolution**") must be approved by a majority of the votes cast by the Shareholders present or represented by proxy at the Meeting. The text of the RRSP Matching Resolution is set out below.

"IT IS RESOLVED as an ordinary resolution that:

- a. subject to regulatory approval, and with or without amendments as may be required by the TSXV, the Employee RRSP Matching Plan, in form presented, is hereby ratified, confirmed and approved;

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- b. the Corporation is authorized to grant stock pursuant and subject to the terms and conditions of the Employee RRSP Matching Plan entitling all of the employees be issued the number of common shares of the Corporation as calculated under the Employee RRSP Matching Plan; and
  - c. any one director or officer of the Corporation is authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The Board recommends that Shareholders vote FOR the approval of the RRSP Matching Resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the RRSP Matching Resolution.

### **Approval of the Director Compensation Policy**

At the Meeting, Shareholders will be asked to approve a Director Compensation Policy in the form attached as Schedule B of this Circular (the “**Director Compensation Policy**”).

The following is a summary of certain key terms of the Director Compensation Policy.

The Corporation has adopted the Director Compensation Policy to provide additional incentives to attract, retain and motivate directors.

The Director Compensation Policy provides that the one half of the total Directors’ compensation be paid in Common Shares of the Company and the compensation, both cash and shares, be paid quarterly. Value of the shares issued is equal to the market value of the shares on the settlement date.

#### *Approval Required for Director Compensation Policy*

The resolution respecting the Director Compensation Policy (the “**Director Compensation Resolution**”) must be approved by a majority of the votes cast by the Shareholders present or represented by proxy at the Meeting. The text of the Director Compensation Resolution is set out below.

“IT IS RESOLVED as an ordinary resolution that:

- a. subject to regulatory approval, and with or without amendments as may be required by the TSXV, the Director Compensation Policy is hereby ratified, confirmed and approved;
- b. the Corporation is authorized to grant stock pursuant and subject to the terms and conditions of the Director Compensation Policy on a quarterly basis; and
- c. any one director or officer of the Corporation is authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The Board recommends that Shareholders vote FOR the approval of the Director Compensation Resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the Director Compensation Resolution.

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## Approval of Preferred Shares

Shareholders will be asked at the Meeting to consider and, if thought appropriate, approve a special resolution (the “**Preferred Share Resolution**”) authorizing the filing of articles of amendment to create a new class of preferred shares to be designated as “Preferred Shares” (the “**Preferred Shares**”) issuable in one or more series, where the Board, subject to the terms of the Preferred Shares described below, will be authorized to determine the designation, rights, privileges, restrictions and conditions, including dividend rates, redemption prices, conversion rights and other matters with respect to each series of Preferred Shares.

### *Purpose*

The Board believes that amending the Corporation’s articles to authorize the issuance of the Preferred Shares will provide the Corporation with increased flexibility in its capital structure and in raising future capital. The creation of Preferred Shares would permit the Board to negotiate with potential investors regarding the rights and preferences of a series of Preferred Shares that may be issued to meet market conditions and financing opportunities as they arise, without the expense and delay in connection with calling a shareholders’ meeting to approve specific terms of any series of Preferred Shares. The Preferred Shares may be used by the Corporation for any appropriate corporate purpose, including, without limitation, as a means of obtaining additional capital for use in the Corporation’s business and operations or in connection with acquisitions.

The Corporation does not intend to use the issuance of Preferred Shares for anti-takeover purposes and, in fact, the restrictions contained in the terms of the Preferred Shares render the Preferred Shares not suitable for use as a takeover defense. Specifically, the fact that the Preferred Shares are non-voting except in certain limited circumstances, contain a limit on the maximum number of Preferred Shares that can be issued and contain a limit on the number of Common Shares issuable on conversion of the Preferred Shares make them unlike unconstrained “blank cheque” preferred shares available to other issuers. In this regard, we have sought to constrain the terms of the Preferred Shares in a manner to provide the Corporation reasonable financing flexibility and provide our Shareholders comfort that the Preferred Shares will not be used for purposes of a takeover defense.

Nevertheless, the availability of undesignated Preferred Shares may have certain negative effects on the rights of the holders of Common Shares. The actual effect of the issuance of any Preferred Shares upon the rights of holders of Common Shares cannot be fully stated until the Board determines all specific rights of the particular series of Preferred Shares. However, the Corporation’s articles will set out certain terms and restrictions, as set out below, in respect of the Preferred Shares, and which provide the holders of Common Shares with an indication of the possible effects of an issuance of Preferred Shares, specifically with respect to dividends, liquidation, redemption, conversion, voting rights and limitations on issuances of Preferred Shares. Such effects may include holders of Common Shares receiving less in the event of liquidation, dissolution or other winding-up of the Corporation, or a reduction in the amount of funds, if any, available for dividends on Common Shares.

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### *Terms of the Preferred Shares*

The Preferred Shares will be issuable in one or more series, where the Board will be authorized to fix the number of shares of each series, subject to the limitation on the number of Preferred Shares to be issued as described below, and to determine for each series, subject to the terms and conditions set out herein, the designation, rights, privileges, restrictions and conditions, including dividend rates, redemption prices, conversion rights and other matters. As noted above, the restrictions and limitations set out in the terms of the Preferred Shares, particularly with respect to the number that may be issued and the voting rights, distinguish the Preferred Shares from a structure that is commonly referred to as “blank cheque” preferred shares. A summary of the terms of the Preferred Shares is included below. **Note that the following is a summary only and reference should be made to the full text of the terms and conditions attaching to the Preferred Shares as set out in Schedule C.**

### *Limitation on the Number of Preferred Shares Issuable*

The proposed terms of the Preferred Shares provide that an unlimited number of Preferred Shares may be issued.

### *Approval of the Preferred Share Resolution*

If Shareholders approve the Preferred Share Resolution to create the new Preferred Shares and the Corporation’s articles are amended, no further Shareholder approval will be required to issue Preferred Shares of any series if and when the Board decides to issue any Preferred Shares.

If the proposed amendment is approved the articles will become effective upon the filing of Articles of Amendment reflecting the amendment pursuant to the *Canada Business Corporations Act* (the “CBCA”).

To be approved the Preferred Share Resolution must be passed by at least 66 2/3% of the votes cast at the Meeting by the Shareholders entitled to vote in person or by proxy on the resolution.

At the Meeting, Shareholders will be asked to approve the following by special resolution. The text of the Preferred Share Resolution is set out below.

“BE IT RESOLVED, as a special resolution of the shareholders of Pieridae Energy Limited (the “Corporation”) that:

- a. the articles of the Corporation be amended to create a new class of preferred shares designated as “Preferred Shares”, issuable in series, in an unlimited number, such Preferred Shares having attached thereto the rights, privileges, restrictions and conditions as set out in Schedule C;
- b. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
- c. notwithstanding the passing of this resolution by the Shareholders, the Board of Directors of the Corporation may revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation, if the Board of Directors of the Corporation determined, in its sole and absolute discretion, that such revocation is in the best interests of such shareholders.”

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for approval of the Preferred Share Resolution.

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### *Dissenting Shareholders' Rights*

Registered Shareholders have the right to dissent from the Preferred Share Resolution pursuant to Section 190 of the CBCA. The dissent procedures under Section 190 of the CBCA require that a Registered Shareholder who wishes to dissent must send a written objection to the Preferred Share Resolution to the Corporation at its registered office at Suite 3100, 308 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 0H7 (Attention: General Counsel) at or before the annual and special meeting of shareholders to be held on June 18, 2019 at 10:00 a.m. Calgary time, or the time fixed for any adjournment or postponement thereof. In the event that the Preferred Share Resolution is approved, any Registered Shareholder who dissents from the Preferred Share Resolution in compliance with Section 190 of the CBCA will be entitled, when the amendment to the Corporation's articles contemplated by the Preferred Share Resolution becomes effective, to be paid the fair value of the Common Shares held by such Registered Shareholder. Shareholders are cautioned that fair value could be determined to be less than the trading price of the Common Shares on the TSX Venture Exchange as of the close of business on the day before the Preferred Share Resolution is adopted.

Non-registered (or beneficial) Shareholders will not be entitled to exercise the right to dissent from the Preferred Share Resolution directly. Any non-registered Shareholder who wishes to dissent from the Preferred Share Resolution should immediately contact the Intermediary with whom such shareholder deals in respect of such shareholder's Common Shares.

A summary of the dissenting shareholder provisions of the CBCA as well as a copy of the full text of Section 190 of the CBCA are set forth in Schedule D to this management proxy circular. The dissenting shareholder provisions of the CBCA are technical and complex. It is recommended that any Registered Shareholder wishing to exercise such shareholder's right to dissent seek legal advice, as failure to strictly comply with requirements set forth in Section 190 of the CBCA may prejudice such shareholder's right to dissent.

## **STATEMENT OF EXECUTIVE COMPENSATION**

In this Circular, a Named Executive Officer (“**NEO**”) means: (a) the Corporation's chief executive officer (“**CEO**”); (b) the Corporation's chief financial officer (“**CFO**”); (c) the Corporation's three other most highly compensated executive officers at the end of the financial year ended December 31, 2018, whose total compensation, individually, was greater than \$150,000; and (d) each individual who would be an NEO but for the fact that the individual was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of the financial year ended December 31, 2018.

For the financial year ended December 31, 2018, the Corporation had six named NEOs namely, Alfred Sorensen (CEO); Mario Racicot (CFO); Melanie Litoski (CFO); Thom Dawson (President LNG), Martin Bélanger (President, Production), and Thomas Ciz (General Counsel and Corporate Secretary).

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## Compensation Discussion and Analysis

### *Role of the Governance and Compensation Committee*

The Corporation has established a Governance and Compensation Committee which is responsible, among other things, for the oversight of the Corporation's compensation plans. The Governance and Compensation Committee is currently comprised of Kell Pedersen, and Andrew Judson of which both are considered to be independent members.

Specifically, the Committee is charged with the overall responsibility of reviewing the Corporation's compensation philosophy and developing and fostering a compensation policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance. It is important to the Corporation to ensure that it is capable of attracting, motivating and retaining individuals who will contribute to the success of the Corporation.

To that end, the Committee is specifically responsible for, among other things, establishing the overall compensation policies of the Corporation and monitoring their implementation, periodically reviewing those policies and specific compensation practices and plans of the Corporation and recommending appropriate changes to the Board for consideration, administering the Corporation's incentive plans, including its stock option plan, in accordance with their terms and recommending to the Board the granting of incentives (including stock option grants) as appropriate, periodically reviewing and approving the goals and objectives of the Corporation relative to the evaluation of the CEO's performance and compensation, and periodically reviewing the level of compensation of the members of the Board and its committees and recommending appropriate changes to the Board for consideration. For the mandate of the Governance and Compensation Committee **refer to SCHEDULE E**.

In discharging its responsibilities, the Committee will seek the advice of the CEO. The CEO will not, however, participate in any manner in the deliberations of the Committee or the Board in regard to the evaluation of his performance or the adequacy of his compensation. The Committee may not delegate any of its responsibilities to another entity or to an individual without the approval of the Board.

### *Composition of the Governance and Compensation Committee*

All of the members of the Governance and Compensation Committee are considered independent under National Instrument 58-101 *Disclosure of Corporate Governance Practices* (as defined under "Corporate Governance Matters – Approach to Corporate Governance").

### *Objectives of NEO Compensation Program and Compensation Philosophy*

The objectives of the Corporation's NEO compensation program are to: (a) attract, motivate and retain high-caliber individuals; (b) align the interests of the NEOs with those of the Corporation's shareholders; (c) establish an objective connection between NEO compensation and the Corporation's financial and business performance; and (d) incentivize the NEOs to continuously improve operations and execute on corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value, achieving corporate performance that meets pre-defined objective criteria and improving operations and executing on corporate strategy.

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The Corporation's policy with respect to the compensation of NEOs is to establish annual goals with respect to corporate development and the individual areas of responsibility of each NEO and then to review total compensation with respect to the achievement of these goals. In addition, the Corporation recognizes the importance of ensuring that overall compensation for NEOs is not only internally equitable, but also competitive within the market segment. Specifically, the Governance and Compensation Committee's review and evaluation will include measurement of, among others, the following areas: (a) the achievement of corporate objectives, such as financings, partnerships and other business development, in particular having regard to budgetary constraints and other challenges facing the Corporation; (b) the Corporation's financial condition; and (c) the Corporation's share price and market capitalization.

The NEO compensation program consists of four principal components: (a) base salary; (b) short-term incentives; (c) employee RRSP matching plan and (d) long-term incentives. Each component has a different function, as described in greater detail below, but all elements work together to reward the NEOs appropriately for personal and corporate performance.

Base salaries are considered an essential element in attracting and retaining the Corporation's senior executives (including the NEOs) and rewarding them for corporate and individual performance. Base salaries are established taking into account individual performance and experience, level of responsibility and competitive pay practices. Base salaries are reviewed annually and adjusted, if appropriate, to reflect performance and market changes. Any increase to the base salary of the CEO must be approved by the Board and will be based on the recommendation of the Governance and Compensation Committee. The CEO is responsible for determining and approving any increase in salary for the other NEOs.

#### *Short-Term Incentives*

The Corporation's short-term incentive program is available to all permanent employees (including the NEOs). Participation in the short-term incentive program is a component of compensation that incentivizes the NEOs to meet short-term initiatives which are intended to improve the overall value of the Corporation. The short-term incentive program also serves to assist the Corporation in retaining staff as such programs are common in the marketplace.

Each NEO is eligible for an annual short-term incentive cash bonus that will be approved from time to time by the Board and based on the recommendation of the Governance and Compensation Committee. The amount of cash bonus is based on the NEO's level of responsibility, base salary, and personal performance, as well as the overall performance of the Corporation. Special bonuses may be considered, if warranted, for performance or other reasons.

#### *Employee RRSP Matching Plan*

The Corporation's Employee RRSP Matching Plan is available to all permanent employees (including the NEOs). Participation in the Employee RRSP Matching Plan is a component of compensation that incentivizes the employees to save for future retirement. The Employee RRSP Matching Plan also serves to assist the Corporation in retaining staff as it is intended to simulate a pension plan by encouraging employees to save currently in a plan that is available in the future to fund post-retirement living. The text of the Employee RRSP Matching Plan is included in Schedule A.

#### *Long-Term Incentives*

The Corporation's long-term incentive compensation for senior executives (including the NEOs) may be provided through stock option grants issued under the option plan of the Corporation (the "**Stock Option Plan**"). Participation in the Stock Option Plan is considered to be a material component of compensation that incentivizes the NEOs to create long-term shareholder value, as the value of the granted stock options is directly dependent on the market valuation of the Corporation. The Stock Option Plan also serves to assist the Corporation in retaining senior executives as the stock options granted under the Stock Option Plan typically vest over time.

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Each NEO is eligible for an annual stock option grant that will be approved from time to time by the Board on the recommendation of the Governance and Compensation Committee. The number of stock options granted is based on the NEO's level of responsibility and personal performance and also competitive and market conditions. Special stock option grants may be considered, if warranted, for performance or other reasons. Each NEO may be granted stock options upon the commencement of employment with the Corporation. When determining whether and how many new stock option grants will be made, the Board takes into account the amount and terms of any outstanding stock options. The Corporation requires its CEO (and each of its other senior officers) own, directly or indirectly, by the later of October 24, 2020 and the third anniversary of the day that the senior officer commenced employment with the Corporation such number of Common Shares of the Corporation that have an aggregate value that is equal to or exceeds three (3) times (or two (2) times) his or her prevailing annual base salary that is received or receivable from the Corporation.

The Stock Option Plan requires that the stock option exercise price may not be less than the market price of the Common Shares of the Corporation at the time the stock option is granted, subject to any discounts permitted by applicable securities laws and stock exchange rules. Stock Options vest in accordance with the terms under which the stock options are granted which are at the discretion of the Board and stock options expire no later than five years after the date of the grant. The award of any stock options under the Stock Option Plan to the NEOs will be subject to the approval of the Board, based on the recommendation of the Governance and Compensation Committee.

#### *Risks associated with Compensation Policies and Practices*

The Board and the Governance and Compensation Committee have considered the implications of the risks associated with the Corporations' compensation policies or practices.

Each member of the Governance and Compensation Committee has been in a senior leadership position in various organizations, and in those capacities obtained direct experience relevant to executive compensation, and has the skills and experience that enable the Governance and Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices.

The Governance and Compensation Committee reviews the NEO's compensation based upon yearly corporate accomplishments, market and sector comparisons, corporate budget and individual requirements for retaining the NEOs. Compensation may consist of salary and stock options. Options to acquire Common Shares are granted at the discretion of the Board and often in conjunction with grants of options to directors, executives, employees and consultants to the Corporation.

## Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided to NEOs by Pieridae for services in all capacities to Pieridae during the last three financial years:

Name and principal position	Year	Salary (\$)	Bonus (\$)	Share based awards (\$) <sup>(8)</sup>	Option based awards (\$) <sup>(9)</sup>	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Alfred Sorensen, CEO <sup>(1)</sup>	2018	294,231	Nil	Nil	238,174	N/A	17,500	549,905
	2017	137,500	Nil	N/A	N/A	N/A	N/A	137,500
	2016	330,000	Nil	N/A	N/A	N/A	N/A	330,000
Mario Racicot, CFO <sup>(2)</sup>	2018	144,062	Nil	25,481	152,676	N/A	6,731	328,949
	2017	145,000	70,000	N/A	Nil	N/A	Nil	215,000
	2016	129,557	11,100	N/A	37,388	N/A	Nil	178,045
Melanie Litoski, CFO <sup>(3)</sup>	2018	68,096	Nil	Nil	Nil	N/A	2,308	70,404
	2017	N/A	N/A	N/A	N/A	N/A	Nil	N/A
	2016	N/A	N/A	N/A	N/A	N/A	Nil	N/A
Thom Dawson, Senior Vice-President of Business Development <sup>(4)</sup>	2018	245,200	100	10,096	183,211	N/A	11,667	450,273
	2017	129,335	Nil	N/A	N/A	N/A	N/A	129,335
	2016	275,000	Nil	N/A	N/A	N/A	N/A	275,000
Martin Bélanger, Senior Vice-President of Goldboro LNG <sup>(5)</sup>	2018	223,077	100	5,295	152,676	N/A	28,167	392,814
	2017	Nil	101,000	N/A	Nil	N/A	222,000	323,000
	2016	Nil	Nil	N/A	24,075	N/A	95,700	119,775
Thomas Ciz, General Counsel and Corporate Secretary <sup>(6)</sup>	2018	191,360	100	Nil	Nil	40,101	11,667	243,228
	2017	109,995	44,850	65,142	Nil	N/A	N/A	219,987
	2016	219,992	Nil	N/A	1,000,000	N/A	N/A	219,992
Myron Tétréault Chairman <sup>(7)</sup>	2018	N/A	N/A	N/A	N/A	N/A	39,000	39,000
	2017	Nil	134,000	N/A	Nil	N/A	149,091	283,091
	2016	Nil	29,372	N/A	28,563	N/A	127,950	185,885

Notes:

- (1) CEO of Pieridae since October 24, 2017. Previously CEO of Former Pieridae since its founding in 2012. For fiscal year 2017, an amount of \$ 76,290 included in the amounts presented in the "Total compensation" column represents Mr. Sorensen's compensation as a CEO of Former Pieridae.
- (2) CFO of Pieridae from October 24, 2017 until August 1, 2018. Previously CFO and Corporate secretary of Pétrolia from May 2016 until October 24, 2017. For fiscal year 2017, an amount of \$192,692 included in the amounts presented in the "Total compensation" column represents Mr. Racicot's compensation as a CFO and Corporate Secretary of Pétrolia. Prior to that held the position of Corporate Affairs Manager of Pétrolia from September 2015 to May 2016.
- (3) CFO of Pieridae from October 1, 2018. Previously Chief Financial Officer for Founders Advantage Capital Corp. from March 2018 to September 30, 2018. Prior thereto Vice President, Controller for Dollar Financial Group from August 2014 to March 2018 and Vice President, Finance and Controller for ENMAX Corporation from May 2008 to August 2014.
- (4) Senior Vice-President, Business Development since January 1, 2019. President-LNG of Pieridae from October 24, 2017 to December 31, 2018. Previously COO of Former Pieridae since its founding in 2012. For fiscal year 2017, an amount of \$78,327 included in the amounts presented in the "Total compensation" column represents Mr. Dawson's compensation as a COO of Former Pieridae.
- (5) Senior Vice-President, Goldboro LNG since January 1, 2019. President-Production of Pieridae from October 24, 2017 to December 31, 2018. Interim President and CEO of Pétrolia from September 2016 until October 24, 2017. Director of Pétrolia from March 2015 until October 2017. For fiscal year 2018, an amount of \$18,500 included in the "Total Compensation" representing services provided under a consulting arrangement. For fiscal year 2017, an amount of \$266,370 included in the "Total Compensation" representing Mr. Bélanger compensation as Interim President and CEO of Pétrolia and \$15,375 represents his remuneration as a director. For fiscal year 2016, an amount of \$21,700 included in the amount presented in the "all other compensation" column and \$6,825 presented in the "option-based awards" column represents Mr. Bélanger 's compensation as a director. The services of Mr. Bélanger, as Interim President and CEO of Pétrolia were provided by Mr. Bélanger under the terms of a Consulting Agreement.
- (6) General Counsel since October 24, 2017. Previously General Counsel of Former Pieridae since July 15, 2015. For fiscal year 2017, an amount of \$69,188 included in the amounts presented in the "Total compensation" column represents Mr. Ciz's compensation as a General Counsel of Former Pieridae.

- (7) Chairman of Pieridae since November 2017, Previously Executive Chairman since 2014 of Pétrolia, Interim President and CEO of Pétrolia from September 2013 to May 2014. For fiscal year 2017, an amount of \$99,000 included in the amounts presented in the "Total compensation" column represents Mr. Tétreault's compensation as an Executive Chairman of Pétrolia and the amounts of \$18,225 and \$9,866 represent Mr. Tétreault's compensation as a director for Pétrolia and Pieridae, respectively. For fiscal year 2016, an amount of \$26,750 included in the amounts presented in the "all other compensation" column as well as the amounts presented in the "option-based awards" column for fiscal year 2016 represents Mr. Tétreault's compensation as a director. The services of Mr. Tétreault, as Executive Chairman of Pétrolia, were provided under the terms of a consulting agreement. In 2018 Mr. Tétreault received \$39,000 under the terms of a consulting agreement.
- (8) Share based awards for 2018 included shares issued under the Employee RRSP Matching Plan.
- (9) The estimated fair value of the stock options has been calculated using the Black-Scholes-Merton model.

## Incentive Plan Awards

### *Outstanding Share-based and Option-based Awards*

The following table sets forth information in respect of all awards outstanding at the end of the last financial year to Pieridae's NEOs:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards that have vested (not paid or distributed) (\$)
Alfred Sorensen	195,000	5.67	28-Jan-23	-	-	-	-
Mario Racicot	15,625 <sup>(3)</sup>	1.98	16-Nov-21	10,938	-	-	-
	6,250 <sup>(3)</sup>	2.52	25-Aug-21	1,000	-	-	-
	8,333 <sup>(2)</sup>	2.64	25-May-21	333	-	-	-
	8,333 <sup>(2)</sup>	4.08	24-Nov-20	-	-	-	-
Thom Dawson	150,000	5.67	28-Jan-23	-	-	-	-
Martin Bélanger	125,000	5.67	28-Jan-23	-	-	-	-
	6,250 <sup>(3)</sup>	1.98	16-Nov-21	4,375	-	-	-
	12,500 <sup>(2)</sup>	2.52	25-Aug-21	2,000	-	-	-
	4,166 <sup>(2)</sup>	4.08	24-Nov-20	-	-	-	-
	6,250	6.60	27-May-20	-	-	-	-
	6,250	6.84	25-Mar-20	-	-	-	-
Thomas Ciz	441,150	5.67	18-Oct-21	-	-	-	-

#### Notes:

- (1) Based on the closing price of the common shares on the Exchange on December 31, 2018 (\$2.68).
- (2) As required by the exchange, these securities are held in escrow pursuant to the TSXV Tier 1 Value Escrow Agreement which provides for a release of the Pieridae Tier 1 Value Escrowed Securities as set forth above. Pursuant to the TSXV Tier 1 Value Escrow Agreement, the Pieridae Tier 1 Valued Escrow Securities can only be transferred in accordance with the exchange policy.
- (3) As required by the exchange, these securities are held in escrow pursuant to the TSXV Tier 2 Value Escrow Agreement which provides for a release of the Pieridae Tier 2 Value Escrowed Securities as set forth above. Pursuant to the TSXV Tier 2 Value Escrow Agreement, the Pieridae Tier 2 Valued Escrow Securities can only be transferred in accordance with the exchange policy.

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### *Incentive Plan Awards – Value Vested or Earned during the Year*

The following table provides the value vested in relation to awards held by each NEO during the last financial year:

<b>Name</b>	<b>Option-based awards – Value vested during the year <sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year <sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Alfred Sorensen	110,916	-	-
Mario Racicot	4,399	25,481	-
Thom Dawson	85,320	10,096	-
Martin Bélanger	-	5,295	-
Thomas Ciz	-	-	-

**Notes:**

(1) The estimated fair value of the Pieridae Options granted as of the grant date has been calculated using the Black-Scholes-Merton model.

(2) Share based awards for 2018 included shares issued under the Employee RRSP Matching Plan. Shares were issued at the market price at time of issue.

### **Pension Plan Benefits**

#### *Defined Benefits Plan*

Pieridae does not sponsor a defined benefits pension plan for any of its directors or officers except for Thomas Ciz. However, Pieridae is not liable under such defined benefits pension plan, and is not obligated under relevant pension legislation, to fund the amount of any unfunded liability or any solvency deficiency that may arise at any time under that pension plan.

### **Termination and Change of Control Benefits**

As at December 31, 2018, the Corporation was a party to executive employment agreements ("Contract of Service") with each of Messrs. Sorensen, Dawson, Bélanger, and Ciz and Ms. Litoski. The Contract of Service provide that such agreements may be terminated by the Corporation (for reason other than "just cause") by providing the employee with the minimum amount of prior notice of termination that the Corporation is required to provide to the employee pursuant to the employment standards legislation applicable in the province in which the employee is employed or a termination amount, in lieu of notice, in an amount equal to the amount of wages that would have been earned during the notice period computed in accordance with the employment standards legislation applicable in the province in which the employee is employed.

The Contract of Service provides that if the Corporation terminates the employment within one hundred (100) days before, or at any time after, or the NEO resigns at any time within thirty days after, the day that 50% or more of the Common Shares are held by a Person, or by a group of Persons that are “related” or are “affiliated”, the notice period shall be deemed to be equal to the lesser of: a) twenty four months; and b) the aggregate of six months and one (1) additional month for each calendar year throughout which the employee was employed by the Corporation or by any of its affiliated corporations or by any predecessor corporation of the Corporation.

Name	Indemnity in the event of termination of employment after a change of control
Alfred Sorensen	\$250,000
Melanie Litoski	\$125,000
Thom Dawson	\$208,333
Martin Bélanger <sup>2</sup>	\$166,667
Thomas Ciz	\$160,000

## DIRECTOR COMPENSATION

The Corporation has structured director compensation with the following goals in mind:

- the imperative of attracting and retaining knowledgeable and experienced individuals who have integrity and who possess the specific skills commensurate with the Corporation’s requirements and objectives;
- external market competitiveness for talent and to the principles of equity and fairness while recognizing the Corporation’s objectives of fiscal prudence and good governance;
- the need to align the Corporation’s long-term success with the basis of compensation;
- the importance of recognizing the additional responsibilities undertaken by the Chair of the Board and the Chair of each Committee; and
- the application of the share ownership policy of the Corporation on Directors (excluding those Directors who have otherwise waived all compensation).

The following table shows the 2018 director fee schedule for services they provide to the Corporation. In 2018, Pieridae's compensation policy stipulates that each independent director is entitled to receive the following annual fees:

POSITION	VALUE
Chairman of the Board	\$135,000
Chairman of the Audit Committee	\$100,000
Chairman of all other Committees	\$95,000
other such Directors	\$85,000

The policy also provides that one-half of the annual fees shall be paid by the issuance of Common Shares by the Corporation. In 2018 the full number of shares required under the policy could not be issued due to TSXV restrictions. If the Director Compensation Policy, in the form attached as Schedule B is approved by the Shareholders, the Corporation shall issue shares to the directors in accordance with the policy.

The directors are reimbursed for all reasonable expenses incurred in the execution of their functions as directors of the Corporation.

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For the year ended December 31, 2018, the directors of Pieridae earned an aggregate total of \$330,904 in director's fees.

### **Policy with respect to Share Ownership**

Each director of the Corporation is required to own such number of Common Shares of the Corporation that have an aggregate value equal to or exceeding three (3) times his prevailing annualized cash compensation that is received or receivable from the Corporation no later than the later of October 24, 2020 and the third anniversary of their election or appointment as a director of the Corporation.

### **Director Compensation Table**

The following table sets forth information with respect to all compensation elements paid to the non-executive directors of Pieridae during the year ended December 31, 2018.

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share- based Award <sup>(1)</sup> (\$)</b>	<b>Option- based Awards <sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total compensation (\$)</b>
Myron Tétreault	98,297	27,993	213,746	-	-	-	340,036
Charles Boulanger	65,555	27,993	152,676	-	-	-	246,224
Andrew Judson	60,878	27,993	-	-	-	-	88,871
Kjell Pedersen	14,382	7,812	197,750	-	-	-	219,944
Matthew Rees	-	-	-	-	-	-	-

**Notes:**

(1) Shares in lieu of fees issued under the Director Compensation Policy

(2) The estimated fair value of the Pieridae stock options granted as of the grant date has been calculated using the Black-Scholes-Merton model.

## Share-based and Option-based Awards

The following table provides information concerning awards to the non-executive directors of the Corporation during the year. The information pertaining to the awards granted to Alfred Sorensen is set out in the disclosure pertaining to share-based and option-based awards for NEO's above.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards that have vested (not paid or distributed) (\$)
Myron Tétreault	175,000	5.67	28-Jan-23	-	-	-	-
	15,625 <sup>(3)</sup>	1.98	16-Nov-21	10,686	-	-	-
	8,333 <sup>(3)</sup>	2.52	25-Aug-21	1,333	-	-	-
	12,500 <sup>(2)</sup>	4.08	24-Nov-20	-	-	-	-
	8,333	5.82	25-Nov-19	-	-	-	-
	12,500	8.04	27-May-19	-	-	-	-
Charles Boulanger	125,000	5.67	28-Jan-23	-	-	-	-
	8,333 <sup>(4)</sup>	1.98	16-Nov-21	18,666			
	4,166 <sup>(2)</sup>	4.08	24-Nov-20	584			
	3,750	5.82	25-Nov-19	-	-	-	-
	2,500	8.04	27-May-19	-	-	-	-
Andrew Judson	441,150 <sup>(2)</sup>	4.08	13-Jun-21	-	-	-	-
Kjell Pedersen	125,000	5.67	27-Jun-23	-	-	-	-
Matthew Rees	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Based on the closing price of the Common Shares on the Exchange on December 31, 2018 (\$2.68).
- (2) As required by the exchange, these securities are held in escrow pursuant to the TSXV Tier 1 Value Escrow Agreement which provides for a release of the Pieridae Tier 1 Value Escrowed Securities as set forth above. Pursuant to the TSXV Tier 1 Value Escrow Agreement, the Pieridae Tier 1 Valued Escrow Securities can only be transferred in accordance with the exchange policy.
- (3) As required by the exchange, these securities are held in escrow pursuant to the TSXV Tier 2 Value Escrow Agreement which provides for a release of the Pieridae Tier 2 Value Escrowed Securities as set forth above. Pursuant to the TSXV Tier 2 Value Escrow Agreement, the Pieridae Tier 2 Valued Escrow Securities can only be transferred in accordance with the exchange policy.

## Incentive Plan Awards – Value Vested or Earned during the Year

The following table provides the value vested in relation to awards held by each non-executive director during the last financial year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Myron Tétreault	213,746	27,993	-
Charles Boulanger	152,676	27,993	-
Andrew Judson	-	27,993	-
Kjell Pedersen	197,750	7,812	-

**Notes:**

(1) The estimated fair value of the Pieridae Options granted as of the grant date has been calculated using the Black-Scholes-Merton model.

(2) Shares in lieu of fees issued under the Director’s Compensation Policy

## Liability Insurance for Directors and Executive Officers

Pieridae has liability insurance for its directors and executive officers, which protects them from the liability that they incur in their capacity of director or executive officer. The insurance policy, effective November 24, 2018, and expiring on September 30, 2019, provides coverage of \$20,000,000 per event and per policy year.

## EQUITY COMPENSATION PLAN INFORMATION

Other than the Stock Option Plan, the Corporation does not currently have any compensation plans under which Common Shares are authorized for issue. The Employee RRSP Plan and the Director Compensation Policy included herein would also be considered equity compensation plans. The following table sets forth information regarding the Corporation’s equity compensation plan as at December 31, 2018:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issue under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,653,394	\$4.85	4,798,265
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	2,653,394	\$4.85	4,798,265

### Stock Option Plan

As of the date hereof, stock options for the issuance of a total of 2,588,079 Common Shares are outstanding. See the section entitled “*Statement of Executive Compensation*” for additional information pertaining to stock options held by the executive officers and the directors of the Corporation.

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## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee of the Corporation nor any of its affiliates is, as of the date of the Circular, indebted to the Corporation or to any of its affiliates, or to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

No person who is or was, at any time during the most recently completed financial year of the Corporation, a director or executive officer of the Corporation nor any associate of any such person, is or at any time since the beginning of the most recently completed financial year of the Corporation has been indebted to the Corporation or any of its affiliates or whose indebtedness to another entity is or at any time since the beginning of the most recently completed financial year of the Corporation has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its affiliates under securities purchase program or any other program.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed in this Circular, none of the directors, executive officers or principal shareholders, if any, of the Corporation or any associate or affiliate of the foregoing has had a material interest, direct or indirect, in any transactions in which the Corporation has participated within the three-year period prior to the Record Date, which has materially affected or will materially affect the Corporation.

## **INFORMATION CONCERNING GOVERNANCE**

### **Board of Directors**

The mandate of the Board is to supervise the management of the affairs of the Corporation and to act in the best interests of the Corporation. The Board has a written mandate, the text of which is reproduced in Schedule F to this Circular.

The Board meets at least once every four months and at each meeting it reviews the activities of the Corporation. The frequency of the meetings of the Board and the nature of the items on the agenda will vary depending on the activities and priorities of Pieridae

The governance practices of the Board, which must be disclosed annually pursuant to securities legislation and the policies of the Exchange, are reproduced in Schedule G of this Circular.

Independent members of the Board are Myron A. Tétréault, Charles Boulanger, Andrew Judson, and Kjell Pedersen. Alfred Sorensen is Pieridae's President and chief executive officer; this director is not considered an independent member of the Board. Tim De Freitas is Pieridae's chief operating officer; this director is not considered an independent member of the Board.

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## Audit Committee

The charter of Pieridae's Audit Committee is presented in Schedule H of this Circular. The Audit Committee's general mandate is to examine and recommend to the Board the approval of Pieridae's annual and quarterly financial statements as well as the management reports and press releases related to these financial statements, and in particular:

- to study and assess all aspects of Pieridae 's financial information reporting process, internal controls, risks, and insurance coverage;
- to present relevant recommendations on these subjects to the Board; and
- to supervise the establishment and management of policies and directives regarding financial information and internal control, and to ensure that the process of certifying the annual financial statements meets applicable standards.

In addition, this committee evaluates and supervises the risk-management program and provides pre-approval reviews of all transactions between related parties; after this evaluation, it provides its recommendations to the Board.

The Audit Committee ensures that the external auditors remain independent of the management of Pieridae. The Audit Committee reviews the proposed audit and its execution, evaluates the auditors' performance, and makes recommendations to the Board. The Audit Committee reviews the auditors' compensation, makes recommendations in this regard, and pre-authorizes appointments unrelated to auditing, as permitted by law.

When it considers it necessary, the Audit Committee meets jointly and separately with Pieridae management and with the external auditors to discuss Pieridae's financial affairs.

### *Composition*

The Audit Committee is comprised of Andrew Judson, Charles Boulanger and Myron A. Tétréault. All three (3) members are considered to be independent members and all members have financial expertise, as defined in Regulation 52-110 on audit committees (“**Regulation 52-110**”). According to Regulation 52-110, a person has "financial expertise" when he/she has the ability to read and understand a set of financial statements presenting accounting matters of a scope and level of complexity that are, on the whole, comparable with those that may reasonably be expected to be raised by Pieridae 's financial statements.

Under Regulation 52-110 Pieridae, as a venture issuer, is exempt from the requirement that each of the members of its Audit Committee be independent. However, in accordance with Policy 3.1 of the Exchange, the majority of the members of Pieridae's Audit Committee must be directors who are not executive officers or employees of Pieridae or of legal entities of its group. The Audit Committee must include at least three directors, the majority of whom are not employees, controlling shareholders, or executive officers of Pieridae.

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### *Relevant Training and Experience*

The training and experience of each member of the Audit Committee relevant to his/her responsibilities as members of the Audit Committee are as follows:

**Charles BOULANGER** graduated from Université Laval with a degree in mechanical engineering (1981) and acquired senior management training from the International Centre for Research and Studies in Management (CIREM) in 1990. Since 2011, he has been president of Moody Management Inc., a private investment firm. He is also the President and CEO of LeddarTech inc. Prior to that, he was founder, president and CEO of Groupe Unipex SAS in 2008 after serving as president of the Active Ingredients and Specialty Chemicals Division of Atrium Innovations (TSX:ATB) from 2004 to 2008. He was also a founder and president of PÔLE Québec Chaudière-Appalaches after being a partner with Phénix Capital. Mr. Boulanger has over 30 years' experience in senior management positions in several industrial sectors with companies such as Shell Canada, Irving Oil, GSI Environment and Prolab Technologies.

**Andrew JUDSON** is a director and senior advisor to Daytona Power Corp., a company developing a portfolio of transmission and pumped hydro storage projects in the United States. Mr. Judson is also a director of Condor Petroleum Inc. Previously he was a Managing Director of Camcor Partners Inc., a general partner and investment manager for a series of limited partnerships mandated to invest in the Canadian upstream energy industry since 2013. Previously he was a Managing Director with energy focused boutique investment dealer FirstEnergy Capital Corp. with offices in Calgary and London, helping lead the capital markets group. Mr. Judson was responsible for covering some of the largest institutional investors in Canada, the United States and Europe, and advising on their energy related investments. Mr. Judson has extensive board governance experience and serves on several boards of directors of Camcor portfolio companies.

**Myron A. TÉTREAUULT** has been Chairman since 1999 of Calafate Holdings Ltd., a private investment management and venture capital company. Mr. Tétreault serves as the Lead Director of PHX Energy Services Corp. a TSX-listed horizontal and directional drilling company. He is also a cofounder and director of Fitzroy Developments Ltd. (a private real estate company), and was a director of Northern Vision Development Corp. (a private real estate company) from 2004 to 2018 and of Webber Academy Foundation (a nonprofit company that operates a private school in Calgary, Alberta) from 1995 to 2018. He is a director of Fitzroyalty GP Management Inc. and West Aspen Holdings Ltd. Since 2018. From August 1993 to December 1997, Mr. Tétreault was a corporate and securities lawyer with the law firm Bennett Jones Verchere (now Bennett Jones, LLP). Mr. Tétreault has over twenty years of experience as a director and officer of numerous companies in a variety of sectors. Mr. Tétreault obtained his Juris Doctor degree (with distinction) from the University of Saskatchewan in 1992 and his Bachelor of Business Administration degree (cum laude) from the University of Ottawa in 1988. He is a member of the Law Society of Alberta and was a member of the Entrepreneurs' Organization for 10 years.

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## External Auditor Service Fees

In addition to taking care of the audit of the financial statements, Pieridae's auditor has provided other services to Pieridae and invoiced the following fees over the course of the last two fiscal years:

Fees	Fiscal Year ended on December 31, 2018 (\$)	Fiscal Year ended on December 31, 2017 (\$)
Audit Fees <sup>(1)</sup>	120,000	102,237
Audit-Related Fees <sup>(2)</sup>	-	29,320
Amalgamation – Related Fees <sup>(3)</sup>	-	261,050
Tax Fees <sup>(4)</sup>	21,923	31,384
Translation Fees <sup>(5)</sup>	-	16,783
<b>Total of all Fees:</b>	<b>141,923</b>	<b>440,774</b>

Notes:

- (1) Related to the total fees invoiced by Pieridae's external auditor for the audit services. Audit fees invoiced to Petrolia were \$85,450 for fiscal year 2017.
- (2) Related to the total fees invoiced by Pieridae's external auditor for related services that are reasonably related to the performance of the audit of Pieridae and that are not reported under note (1) above. Audit-related fees invoiced to Petrolia were \$6,320 for fiscal year 2017.
- (3) Related to the total fees invoiced by Pieridae's external auditor for services that were related to the amalgamation between Pieridae and Petrolia and all its required disclosure excluding fees reported under note (1) and (2) above. Amalgamation-related fees invoiced to Petrolia were \$158,050 for fiscal years 2017.
- (4) Related to the total fees invoiced by Pieridae's external auditor for professional services rendered for tax compliance and, tax advice. Tax fees were invoiced to Petrolia in fiscal year 2017.
- (5) Related to translation fees invoiced to Petrolia.

## Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended December 31, 2015 did the Corporation rely on any of the various exemptions provided for in Regulation 52-110. However, the Corporation is exempted from the application of Parts 3 and 5 of Regulation 52-110 as it is a venture issuer as defined by Regulation 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services. Please refer to SCHEDULE H.

## Governance and Compensation Committee

The Governance and Compensation Committee is comprised of Kjell Pedersen, and Andrew Judson of which all are considered to be independent members. This Committee supervises matters related to the governance of the Corporation and analyzes the adequacy and form of the Corporation's compensation of its directors and executive officers. The mandate of this committee is reproduced in Schedule E of this Circular.

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## **Reserve and Health, Safety and Environment Committee**

The Reserve and HSE Committee is comprised of Kjell Pedersen, Tim De Freitas and Charles Boulanger. Kjell Pedersen and Charles Boulanger are considered to be independent members. This Committee supervises matters in order to assist the directors of the Corporation in satisfying their responsibilities in respect of the timely compliance by the Corporation with its disclosure and related obligations under National Instrument 51-101– Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the protection by the Corporation of the health and safety of its employees and of the environment. The mandate of this committee is reproduced in Schedule I of this Circular.

## **NON-ARM'S LENGTH TRANSACTIONS**

Pieridae had consulting agreements in place with Mr. Myron A. Tétreault (Executive Chairman of the Board and Director of Pétrolia) up until March 31, 2018, and Mr. Martin Bélanger (Interim President and Chief Executive Officer and Director of Pétrolia) up until February 1, 2018, in connection with the services rendered by these individuals in their respective roles of Executive Chairman and Interim President and Chief Executive Officer of Pétrolia (see the "Summary Compensation Table in "Part III – Executive Compensation" of this Information Circular).

## **REGISTRAR AND TRANSFER AGENT**

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., having offices at 530 – 8th Ave SW, Suite 600, Calgary, Alberta, T2P 3S8.

## **OTHER BUSINESS**

Management knows of no amendment, variation or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

## **SHAREHOLDER PROPOSITIONS**

Any Shareholder wishing to present a proposition to the next annual general meeting in 2020 must transmit such proposition to the Corporation prior to May 15, 2020, in order for it to be included in the proxy solicitation documentation for such annual general meeting.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Corporation's comparative financial statements for the year ended December 31, 2018, and related and management discussion and analysis which can be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.pieridaeenergy.com](http://www.pieridaeenergy.com). Shareholders may also obtain these documents, without charge, upon request to the CFO at Pieridae Energy Limited, 308 – 4th Avenue SW, Suite 3100, Calgary, Alberta, T2P 0H7.

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## **APPROVAL OF DIRECTORS**

The contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED as of the 22<sup>nd</sup> day of May 2019.

*(signed) Alfred Sorensen* \_\_\_\_\_

Alfred Sorensen

President and Chief Executive Officer

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## SCHEDULE A: Employee RRSP Matching Plan

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### *1. objective, purpose and scope*

The application of this policy is intended to encourage employees to save for their future retirement while further aligning their personal interest to the financial success of the Company.

This policy applies to every individual (each a “Qualifying Employee”):

- who is employed by the Company (the “Employer”) on a full-time basis on December 31 of any calendar year that commences after 2016 (the “Particular Calendar Year”);
- who is not an annuitant of a “registered pension plan”, as defined in the Income Tax Act (Canada), to which the Employer has made, or caused to be made, a contribution in respect of the Particular Calendar Year;
- who has paid one or more amounts, each as a premium in respect of the Particular Calendar Year, to a “registered retirement savings plan”, as defined in the Income Tax Act (Canada), to which the individual or the individual’s spouse or common law partner is an annuitant (the “RRSP”); and
- who has submitted to the Employer on a timely basis documentation satisfactory to the Employer evidencing the amount of the premiums paid by the individual in respect of the Particular Calendar Year.

### *2. application*

Within ninety days after the end of the Particular Calendar Year if permitted by applicable law or otherwise as soon as practicable thereafter as permitted by applicable law (the “Payment Time”) the Employer shall confer, or shall cause to be conferred, on each individual who is a Qualifying Employee in respect of the Particular Calendar Year, a taxable benefit (the “RRSP Matching Benefit”) having a value determined by the following formula:

Value = A x the lesser of B and C

where:

A = the Prescribed Percentage (as defined below)

B = the maximum contribution that the Qualifying Employee is permitted to make to the RRSP during the Particular Calendar Year in respect of the “earned income” (as defined in the Income Tax Act (Canada)) that the Qualifying Employee earned during the Particular Calendar Year as an employee of the Employer, including any predecessor corporation of the Employer.

C = the aggregate of each amount that the Qualifying Employee paid as a premium to the RRSP in respect of the Particular Calendar Year.

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The “Prescribed Percentage” of an Employee is the percentage determined as follows:

- if the Employee is assigned by the Employer to benefits category 7 or benefits category 6 at the Payment Time, the Prescribed Percentage of that Employee for the purposes of this policy is 100%;
- if the Employee is assigned by the Employer to benefits category 5, benefits category 4, benefits category 3, benefits category 2 or benefits category 1 at the Payment Time, the Prescribed Percentage of that Employee for the purposes of this policy is 50%; and
- if the Employee is assigned to benefits category 0, or is not assigned to a benefits category, at the Payment Time, the Prescribed Percentage of that Employee for the purposes of this policy is 0%.

The Employer may assign a benefits category to an Employee by stipulating it in the contract of service made between the Employer and Employee, as amended from time to time, or by communicating it in writing to the Employee. The Employer may at any time and from time to time assign a different benefits category to an Employee in substitution for the benefits category previously assigned to the Employee.

The value of the RRSP Matching Benefit shall be paid to the Qualifying Employee at the Payment Time as follows:

- on behalf of the Qualifying Employee the Employer shall remit to the relevant taxing authority an amount (the “Withholding Tax”) that is equal to the aggregate of the withholding tax and each other employee source deduction which the Employer determines are prescribed by applicable law to be withheld or deducted at source and remitted to such taxing authority on behalf of the Qualifying Employee; and
- the Employer shall issue, or cause to be issued to the Qualifying Employee, such number of common shares of Pieridae Energy Limited which have an aggregate value at the time of their issuance that is equal to the amount by which the value of the RRSP Matching Benefit exceeds the Withholding Tax that the Employer remitted, or caused to be remitted, to the relevant taxing authority on behalf of the Qualifying Employee.

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## **SCHEDULE B: Directors' Compensation Policy**

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Unless otherwise defined herein or required by context, all capitalized words in this Policy have the meaning assigned to them by the Glossary of Defined Terms which is incorporated by reference in this Policy.

### ***1. objective, purpose and scope***

This Policy establishes the basis on which the Corporation shall compensate Directors (excluding those Directors who are an Officer of the Corporation or who have otherwise waived all compensation) for their service qua director.

The form and quantum of compensation established under this policy are informed by the following:

- the imperative of attracting and retaining knowledgeable and experienced individuals who have integrity and who possess the specific skills commensurate with the Corporation's requirements and objectives;
- in order to achieve this objective regard must be had to the external market competitiveness for talent and to the principles of equity and fairness while recognizing the Corporation's objectives of fiscal prudence and good governance;
- the need to align the Corporation's long-term success with the basis of compensation;
- the importance of recognizing the additional responsibilities undertaken by the Chair of the Board and the Chair of each Committee;
- the application of the share ownership policy of the Corporation on Directors (excluding those Directors who have otherwise waived all compensation); and
- the requirement to disclose in regulatory filings the compensation of Directors.

This policy shall be reviewed every year and the Corporation shall engage an independent consultant every three years to assist in the review of the policy.

### ***2. application***

The compensation of Directors who are subject to this Policy shall:

- consist of an annual retainer (based on the calendar year) in the following amount:

<b>POSITION</b>	<b>VALUE</b>
Chairman of the Board	\$135,000
Chairman of the Audit Committee	\$100,000
Chairman of all other Committees	\$95,000
other such Directors	\$85,000

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- One-half of the annual retainer shall be paid by the issuance of shares of the Corporation (the “Payment in Shares”) and one-half of the annual retainer shall be paid by the payment of cash (the “Payment in Cash”).
  - The Payment in Shares and Payment in Cash will be made by the Corporation on a quarterly basis, on or about the end of the first pay period following the end of such quarter, in consideration for the services rendered by the Directors during such quarter, subject to statutory withholding and remittance and the number of shares issuable by the Corporation shall be computed on the basis of the trading value of the Corporation’s shares on the public exchange at the time of issuance.
  - The annual retainer of a Director shall be prorated on the basis of his or her time served as a director of the Corporation during the calendar year.

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## SCHEDULE C: Preferred Share Provisions

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The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

### *Issuance in Series*

Subject to the filing of Articles of Amendment in accordance with the *Canada Business Corporations Act* (the "**Act**"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.

Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the property or assets of the Corporation among its shareholders for the purposes of winding up its affairs (a "**Distribution**"); the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

### *Limitation*

No Preferred Shares of any series shall be issued at any time if, as a result of, and at the time of, such issuance:

- (a) the aggregate number of Preferred Shares that would then be outstanding would exceed 50% of the aggregate number of Common Shares then outstanding; or
- (b) the maximum aggregate number of Common Shares into which all of the Preferred Shares then outstanding could be converted in accordance with their terms (regardless of any restrictions on the time of conversion and regardless of any conditions to the conversion) would exceed 20% of the aggregate number of Common Shares then outstanding; or
- (c) the aggregate number of votes which the holders of all of the Preferred Shares then outstanding would be entitled to cast (regardless of any conditions) at any meeting of the shareholders of the Corporation (other than a meeting at which only holders of the Preferred Shares or any series are entitled to vote) would exceed 20% of the aggregate number of votes which the holders of all of the Common Shares then outstanding would be entitled to cast at any meeting.

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### ***Dividends***

Subject to the preferences accorded to holders of any other shares of the Corporation ranking senior to the Preferred Shares from time to time with respect to the payment of dividends, the holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

### ***Liquidation***

In the event of a Distribution, holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to payment on a Distribution, to be paid rateably with holders of each other series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.

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## **SCHEDULE D: Dissent Right in Respect of the Preferred Share Resolution**

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### *Summary of the Dissenting Shareholder Provisions of the Canada Business Corporations Act*

Registered Shareholders have the right to dissent from the Preferred Share Resolution pursuant to Section 190 of the CBCA (the “**Dissent Right**”). Any Registered Shareholder who dissents from the Preferred Share Resolution in compliance with Section 190 of the CBCA (a “**Dissenting Shareholder**”), will be entitled, when the amendment to the Corporation’s articles contemplated by the Preferred Share Resolution become effective, to be paid the fair value of the Common Shares held by such Dissenting Shareholder determined as of the close of business on the day before the Preferred Share Resolution is adopted.

Section 190 of the CBCA provides that a dissenting shareholder may only make a claim under that section with respect to all of the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. One consequence of this provision is that only a Registered Shareholder may exercise the Dissent Right in respect of Common Shares that are registered in that shareholder’s name.

In many cases, shares beneficially owned by a non-registered (or beneficial) Shareholder are registered either: (a) in the name of an Intermediary that the non-registered Shareholder deals with in respect of the Common Shares, such as, among others, brokers, investment dealers, banks, trust companies, trustees, nominees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans; or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant.

Accordingly, a non-registered Shareholder will not be entitled to exercise the Dissent Right directly (unless the Common Shares are re-registered in the non-registered Shareholder’s name). A non-registered Shareholder who wishes to exercise the Dissent Right should immediately contact the Intermediary with whom the non-registered Shareholder deals in respect of its Common Shares and either (i) instruct the Intermediary to exercise the Dissent Right on the non-registered Shareholder’s behalf (which, if the Common Shares are registered in the name of CDS or other clearing agency, may require that such Common Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Common Shares in the name of the non-registered Shareholder, in which case the non-registered Shareholder would be able to exercise the Dissent Right directly.

The dissent procedures under Section 190 of the CBCA (the “**Dissent Procedures**”) require that a Registered Shareholder who wishes to dissent must send a written objection to the Preferred Share Resolution (the “**Dissent Notice**”) to the Corporation at its registered office at Suite 3100, 308 – 4th Avenue SW, Calgary, Alberta, T2P 0H7 (Attention: General counsel) at or before the Annual and Special Meeting of Shareholders to be held on June 18, 2019 at 10:00 a.m. Calgary time (the “**Meeting**”), or the time fixed for any adjournment or postponement thereof. Failure to strictly comply with the Dissent Procedures will result in loss of the Dissent Right.

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The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting. However, the CBCA provides, in effect, that a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Preferred Share Resolution will no longer be considered a Dissenting Shareholder with respect to the Common Shares voted in favour of the Preferred Share Resolution. The CBCA does not provide, and the Corporation will not assume, that a proxy form submitted instructing the proxyholder to vote against the Preferred Share Resolution, a vote against the Preferred Share Resolution at the Meeting or an abstention constitutes a Dissent Notice, but a Registered Shareholder need not vote its Common Shares against the Preferred Share Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Preferred Share Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Preferred Share Resolution, should be validly revoked in order to prevent the proxyholder from voting such Common Shares in favour of the Preferred Share Resolution and thereby causing the Registered Shareholder to forfeit its Dissent Right.

The Corporation is required within 10 days after the Shareholders adopt the Preferred Share Resolution to send to each Dissenting Shareholder a notice that the Preferred Share Resolution has been adopted. Such notice is not required to be sent to any Shareholder who voted in favour of the Preferred Share Resolution or who has withdrawn his, her or its Dissent Notice.

A Dissenting Shareholder who has not withdrawn his, her or its Dissent Notice prior to the Meeting must, within 20 days after receipt of notice that the Preferred Share Resolution has been adopted, or if the Dissenting Shareholder does not receive such notice, within 20 days after learning that the Preferred Share Resolution has been adopted, send to the Corporation a written notice (the "Demand for Payment") containing: (i) the Dissenting Shareholder's name and address; (ii) the number of Common Shares in respect of which the Dissent Right has validly been exercised and not withdrawn by the Dissenting Shareholder (the "Dissent Shares"); and (iii) a demand for payment of the fair value of such shares. Within 30 days after sending the Demand for Payment, the Dissenting Shareholder must send to the Corporation or its transfer agent and registrar, Computershare Investor Services Inc., certificates representing Common Shares in respect of which the Dissenting Shareholder dissents. The Corporation or its transfer agent and registrar, Computershare Investor Services Inc., will endorse on share certificates received from the Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder. A Dissenting Shareholder who fails to send certificates representing Dissent Shares in the time required, has no right to make a claim under Section 190 of the CBCA.

On sending a Demand for Payment, the Dissenting Shareholder ceases to have any rights as a shareholder in respect of its Dissent Shares other than the right to be paid the fair value of the Dissent Shares as determined under Section 190 of the CBCA, unless: (i) the Dissenting Shareholder withdraws its Demand for Payment before an Offer to Pay (as defined below) is made; (ii) the Corporation fails to make an Offer to Pay made in accordance with subsection 190(12) of the CBCA and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the board of directors of the Corporation revokes a resolution to amend the articles under subsection 173(2) or 174(5) of the CBCA, in which case the Dissenting Shareholder's rights as a shareholder will be reinstated.

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Pieridae is required, not later than seven days after the later of the day on which the amendments to the Corporation's articles contemplated by the Preferred Share Resolution became effective and the day on which Pieridae received a Demand for Payment from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment a written offer to pay for the Dissenting Shareholder's Dissent Shares an amount considered by the Board to be the fair value, accompanied by a statement showing how the fair value was determined (an "Offer to Pay"). Every Offer to Pay must be on the same terms. Pieridae must pay for the Dissent Shares of a Dissenting Shareholder within 10 days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if Pieridae does not receive an acceptance within 30 days after the Offer to Pay has been made.

If Pieridae fails to make an Offer to Pay for a Dissenting Shareholder's Dissent Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, Pieridae may, within 50 days after the amendment to the Corporation's articles contemplated by the Preferred Share Resolution became effective or within such further period as a court may allow, apply to a court to fix a fair value for the Common Shares of Dissenting Shareholders. If Pieridae fails to so apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Any such application by Pieridae or a Dissenting Shareholder must be made to a court in Alberta or a court having jurisdiction in the place where the Dissenting Shareholder resides if Pieridae carries on business in that province.

Before making any such application to a court itself or after receiving a notice that a Dissenting Shareholder has made an application to a court, Pieridae will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of a Dissenting Shareholder's right to appear and be heard in person or by counsel. On an application to a court, all Dissenting Shareholders whose Common Shares have not been purchased by Pieridae will be joined as parties and be bound by the decision of the court. On any such application to a court, the court may determine whether any other person is a Dissenting Shareholder who should be joined as a party and the court will then fix a fair value for the Dissent Shares of all Dissenting Shareholders. Any resulting order of a court will be rendered against Pieridae in favour of each Dissenting Shareholder and for the amount of the fair value of its Dissent Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date the amendment to the Corporation's articles contemplated by the Preferred Share Resolution became effective until the date of payment.

The foregoing is only a summary of the dissenting shareholder provisions of the CBCA, which are technical and complex. A copy of Section 190 of the CBCA is set forth below. It is recommended that any Registered Shareholder wishing to avail themselves of the Dissent Right seek legal advice, as failure to strictly comply with the Dissent Procedures may prejudice their Dissent Rights.

### ***Right to dissent***

**190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

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- (c) amalgamate otherwise than under section 184;
  - (d) be continued under section 188;
  - (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
  - (f) carry out a going-private transaction or a squeeze-out transaction.

### ***Further right***

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

### ***If one class of shares***

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

### ***Payment for shares***

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

### ***No partial dissent***

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

### ***Objection***

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

### ***Notice of resolution***

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

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### ***Demand for payment***

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

### ***Share certificate***

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

### ***Forfeiture***

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

### ***Endorsing certificate***

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

### ***Suspension of rights***

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9), in which case the shareholder's rights are reinstated as of the date the notice was sent.

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### ***Offer to pay***

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

### ***Same terms***

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

### ***Payment***

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

### ***Corporation may apply to court***

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

### ***Shareholder application to court***

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

### ***Venue***

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

### ***No security for costs***

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

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### ***Parties***

**(19)** On an application to a court under subsection (15) or (16),

**(a)** all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

**(b)** the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

### ***Powers of court***

**(20)** On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

### ***Appraisers***

**(21)** A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

### ***Final order***

**(22)** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

### ***Interest***

**(23)** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

### ***Notice that subsection (26) applies***

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

### ***Effect where subsection (26) applies***

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

**(a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

**(b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

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***Limitation***

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

**(a)** the corporation is or would after the payment be unable to pay its liabilities as they become due;  
or

**(b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

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## **SCHEDULE E: Governance and Compensation Committee Mandate**

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### **1. primary objective**

The primary objective of the Committee in discharging its mandate on behalf of the Board is to assist the directors of the Corporation in satisfying their responsibilities in respect of the effective governance of the Corporation, the management of its human resources, the compensation of its directors and Officers and the evaluation of their performance.

### **2. Membership**

The Committee shall consist of three or more directors appointed by the Board, at least a majority of which shall qualify as independent of the Corporation for purposes of National Instrument 52-110 (unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon).

Each member of the Committee shall satisfy the financial literacy standards as set out in NI 52-110 and as required by the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities. Such qualification is to be interpreted by the Board in its business judgment.

The Board shall designate one member of the Committee as Chair.

Any member of the Committee may be removed or replaced at any time by the Board. A member will cease to be a member of the Committee as soon as such member ceases to be a director of the Corporation.

The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following the appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

### **3. Mandate**

#### **(a) corporate governance**

The Committee has responsibility:

- to review the adequacy and effectiveness of the Board's governance policies and the Corporation's governance practices and make appropriate recommendations to the Board for their improvement;
- to review the corporate governance sections of each annual information form, each information memorandum, each prospectus and each proxy circular that is filed or distributed by the Corporation to shareholders or others;
- to assess shareholder proposals as necessary for inclusion in the proxy circular, and make appropriate recommendations to the Board;

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- to review the mandates of the Board and its committees, including the mandate of this Committee at least annually, and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
  - to consider the appropriate size of the Board, with a view to facilitating effective decision-making;
  - to review the composition of the Board members ensuring that an appropriate number of directors serve on the Board, as well as identifying the competencies and skills the Board, as a whole, should possess;
  - to make annual recommendations to the Board as to which Directors should be classified as “independent” directors and to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board and its committees;
  - to assess and review periodically the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board;
  - to identify directors qualified to fill vacancies on any committee of the Board (including this Committee), and recommend that the Board appoint the identified director or directors to the respective committee;
  - to recommend to the Board appropriate criteria for the selection of new directors, periodically review the criteria adopted by the Board and, if deemed desirable, recommend to the Board changes to such criteria;
  - to identify individuals qualified and suitable to become Board members and make recommendations to the Board in that regard and in making such recommendations, the Committee shall consider:
    - the criteria for the selection of new directors adopted by the Board;
    - the needs of the Corporation and its stage of development and the competencies and skills that the Board considers to be necessary for the Corporation and the Board, as a whole, to possess;
    - the competencies and skills that each new nominee would bring to the Board; and
    - whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
  - to ensure that all new directors receive a comprehensive orientation respecting the nature and operation of the Corporation's business and affairs as well as the role of the Board and its committees and the contribution which individual directors are expected to make;

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- to ensure that directors are provided with continuing education opportunities so that they may maintain or enhance their skills and abilities as directors as well as ensure that their knowledge and understanding of the Corporation's business and affairs remains current;
  - to identify and recommend to the Board the slate of nominees for election by shareholders at the annual meeting;
    - to assist the Board in its oversight role with respect to:
      - the development of the Corporation's corporate governance policies, practices and processes;
      - the effectiveness of the Board and its committees; and
      - the contributions of individual directors;
  - to assist the Board in its oversight role with respect to all matters relating to proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation;
  - to assist the Board in its oversight role with respect to the Corporation's global human resources strategy, policies and programs;
  - to review succession and leadership plans and make appropriate recommendations to the Board;
  - to establish, review and update periodically the Corporation's Code of Ethical Conduct;
  - to assess periodically the performance, goals and objectives of the CEO and make appropriate recommendations to the Board;
  - to oversee the performance evaluations of Officers made by the CEO;
  - to review periodically the actual and potential conflicts of interest and continuing qualifications of members of the Board; and
  - to review the relationship of the Board with management.

**(b) compensation and performance**

- to establish an overall compensation policy for the Corporation and monitor their implementation, with special attention devoted to the Officers taking into consideration compensation received by chief executive officers and other executive officers in public companies of comparable size, industry and complexity;

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- to review periodically the Corporation's overall compensation policy and specific compensation practices and plans including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans, executive stock option plans and grants and benefit plans (including the group life and health program) and recommend changes to the Board as appropriate to improve the Corporation's ability to recruit, retain and motivate employees while taking into account the implications and risks associated with the Corporation's compensation policies and plans;
  - to review and approve periodically the corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance relative to the achievement based on such evaluation it being stipulated that the CEO shall not be present during any deliberations or voting by the Committee with respect to such matters;
  - to review the executive compensation sections disclosed in information circulars and the proxy circulars distributed to shareholders;
  - to administer the stock option plan and other incentive plans approved by the Board in accordance with their terms and recommend to the Board the grant of stock options and incentives under such plans in accordance with their terms;
  - to review periodically the level of compensation for the Board and its committees and make recommendations to the Board with respect thereto.

**(c) other responsibilities**

- to exercise such other powers and discharge such other responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board;
- to review and assess the adequacy of this mandate periodically and, where necessary, recommend changes to the Board for its approval.

**4. meetings and operation**

The Chair or any two members of the Committee may call a meeting of the Committee, at such time and at such place as they determine, by giving at least forty-eight hours' notice of such meeting to all members of the Committee and to the external auditor of the Corporation.

The Committee shall meet as often as it determines, but not less frequently than quarterly.

A quorum for meetings of the Committee will be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

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The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for the purposes of the meeting.

Agendas, approved by the Chair, will be circulated to the Committee members along with background information on a timely basis prior to the Committee meetings. Minutes of all meetings of the Committee will be taken. The minutes of the Committee will be recorded and maintained, and the Committee shall report to the Board on its activities after each of its meetings.

All members of the Committee are expected to allow sufficient time to review meeting materials and be prepared for Committee meetings. Members are expected to attend most, if not all, Committee meetings.

A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

The Committee may invite such Officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

Any issues arising from the Committee meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.

**5. independent advisors**

The Committee has the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

**6. limitations on the duties of the members of the committee**

Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

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## **SCHEDULE F: Board of Directors Mandate**

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### **1. primary objective**

The primary objective of the Board in discharging its mandate is the effective and efficient conduct by the Corporation of its business and affairs in accordance with its articles, by-laws and policies, and in a manner and to the extent consistent with applicable law and with the purpose of enhancing and preserving shareholder value while taking into account the legitimate interests of employees, customers, lenders and the wider communities.

Accordingly, the Board will be concerned with such matters as strategic and financial planning, risk assessment and mitigation, senior management determination, corporate governance, public disclosure and compliance monitoring.

### **2. directors**

Each director has the duty to act in the best interests of the Corporation and in so doing must thoroughly understand the nature and extent of the Corporation's business and affairs while maintaining an acute awareness of the political, economic, social, legal and environmental realities and constraints prevailing in all jurisdictions in which the Corporation conducts, or proposes to conduct, its business and affairs. In exercising their powers and in discharging their duties, the directors shall:

- act honestly and in good faith with a view to the best interests of the Corporation<sup>1</sup>;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances<sup>2</sup>;
- disclose to the Corporation the nature and extent of any interest that the director has in a material contract or material transaction with the Corporation if the director is a party to the contract or transaction, is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction or has a material interest in a party to the contract or transaction<sup>3</sup>;
- comply with the CBCA and the regulations enacted thereunder as well as with the Corporation's articles and by-laws<sup>4</sup>; and
- comply with their obligations under applicable law and the policies adopted by the Corporation.

1 Paragraph 122(1)(a) of the CBCA  
2 Paragraph 122(1)(b) of the CBCA  
3 Subsection 120(1) of the CBCA  
4 Subsection 122(2) of the CBCA

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### 3. mandate

#### (a) statutory responsibilities

The Board has the statutory responsibility:

- to supervise the management of the business and affairs of the Corporation<sup>5</sup>;
- to review and to approve the annual consolidated financial statements of the Corporation<sup>6</sup>;
- to place before the shareholders at every annual meeting the annual consolidated financial statements of the Corporation, the report of the auditor and any further information respecting the financial position of the Corporation and the results of its operations required by the articles and by-laws of the Corporation<sup>7</sup>.

The Board is also responsible for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board<sup>8</sup>:

- any submission to the shareholders of a question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of auditor, or appointment of additional directors;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of securities issued by the Corporation;
- the approval of a management proxy circulars;
- the approval of any take-over bid circular or directors' circular;
- the approval of annual consolidated financial statements of the Corporation; and
- the adoption, amendment or repeal of the by-laws of the Corporation.

5 Subsection 102(1) of the CBCA  
6 Subsection 158(1) of the CBCA  
7 Subsection 155(1) of the CBCA  
8 Subsection 115(3) of the CBC

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**(b) strategic and financial planning**

The Board has the responsibility:

- to review and consider for approval the strategic and financial objectives of the Corporation proposed by management;
- to review and consider for approval the operating and capital budgets of the Corporation proposed by management;
- to review and consider for approval all amendments or departures from the established strategic and financial objectives and budgets of the Corporation as proposed by management; and
- to review financial performance of the Corporation measured against the financial objectives and budgets of the Corporation.

**(c) risk assessment and mitigation**

The Board has the responsibility:

- to ensure that management has identified and assessed the principal risks attendant on the business and affairs of the Corporation and has achieved an appropriate balance between the risks incurred and the anticipated benefits; and
- to confirm that there are systems in place which effectively monitor and mitigate those risks with a view to achieving the strategic and financial objectives of the Corporation.

**(d) senior management determination**

The Board has the responsibility:

- to appoint the CEO and approve the primary duties of the CEO;
- to approve the terms and conditions (including compensation) of the CEO's employment by the Corporation;
- to monitor and assess the performance of the CEO measured against the strategic and financial objectives of the Corporation;
- if requested by the CEO, to advise and counsel the CEO in the execution of the CEO's duties;
- in consultation with the CEO, to approve the appointment of the other Officers and to approve the terms and conditions (including compensation) of those Officer's employment by the Corporation; and
- to assess the adequacy of the processes implemented by the Corporation to train and develop the Officers and other members of senior management and to achieve the orderly succession of management.

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**(e) corporate governance**

The Board has the responsibility:

- to implement appropriate structures and procedures to permit the Board to function independently of management;
- to analyze the definition of independence and its application to individual directors on a periodic basis;
- to establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and individual directors;
- to establish committees and approve their respective mandates and the limits of authority delegated to each committee;
- to establish limits of authority delegated to Officers; and
- to assess the integrity and professional conduct of the Officers and other members of senior management, to monitor their compliance with applicable law and the policies adopted by the Corporation and to evaluate their success in creating a corporate culture of integrity, professionalism and compliance with legal and corporate standards.

**(f) public disclosure**

The Board has the responsibility:

- to supervise the Corporation's compliance with its public disclosure obligations;
- to verify that the Corporation has in place policies and programs that ensure that the Corporation communicates effectively and on a timely basis with shareholders, employees, other stakeholders and the public generally;
- to verify that management of the Corporation discharges its responsibilities in relation to the preparation and fair presentation of the Corporation's annual consolidated financial statements in accordance with International Financial Reporting Standards;
- to verify that the financial performance of the Corporation is adequately reported to shareholders and regulators on a timely and regular basis;
- to verify the timely disclosure of any other developments that have, or could have, a material or significant impact on the business or affairs of the Corporation; and
- to report at least annually to the shareholders of the Corporation on its stewardship of the business and affairs of the Corporation.

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**(g) compliance monitoring**

The Board has the responsibility to:

- to monitor the Corporation's compliance with applicable law in the conduct of its business and affairs including compliance with each of its contractual obligations;
- to monitor the Corporation's compliance with its policies and procedures in the conduct of its business and affairs including compliance with policies and procedures concerning such matters as the health and safety of its employees, the protection of the environment and ethical business conduct;
- to verify that the Corporation maintains adequate internal controls and information systems for the purpose of ensuring that the Corporation satisfies all of its compliance obligations; and
- to take remedial action if the Corporation fails to satisfy any of its compliance obligations.

**(h) other responsibilities**

The Board has the responsibility to:

- to ensure that all new directors receive an orientation respecting the Corporation's business and affairs and receive continuing education opportunities to enhance their skills; and
- to take such other action that is consistent with this mandate, the Corporation's articles, by-laws and policies and applicable law as the Board considers necessary or appropriate acting reasonably.

**4. meetings and operation**

The Chair or any two directors may call a meeting of the Board, at such time and at such place as they determine, by giving at least forty-eight hours' notice of such meeting to all directors.

The Board shall meet as often as it determines, but not less frequently than quarterly.

Independent directors shall meet regularly and as often as necessary to fulfill their responsibilities, without non-independent directors and management participation.

A quorum for meetings of the Board will be a majority of directors and the rules for calling, holding, conducting and adjourning meetings of the Board will be those prescribed by the articles and by-laws of the Corporation.

The affirmative vote of a majority of the directors participating in any meeting of the Board is necessary for the adoption of any resolution.

The Chair will preside at all meetings of the Board, unless the Chair is not present, in which case the directors that are present will designate from among such members the Chair for the purposes of the meeting.

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Agendas, approved by the Chair, will be circulated to the directors along with background information on a timely basis prior to the Board meetings. Minutes of all meetings of the Board will be taken. The minutes of the Board will be recorded and maintained.

All directors are expected to allow sufficient time to review meeting materials and be prepared for Board meetings. Directors are expected to attend most, if not all, Board meetings.

A director or directors may participate in a meeting of the Board by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a director participating in such a meeting by any such means is deemed to be present at that meeting.

The CEO will attend meetings of the Board where matters relating to the functions as the Board are dealt with, unless otherwise excused from all or part of any such meeting by the Chair. The Board may invite such other Officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Board and assist in the discussion and consideration of the matters being considered by the Board.

Subject to the articles and by-laws of the Corporation and applicable law, the Board may delegate powers, duties and responsibilities to committees of the Board and the Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board, determining directors' compensation and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

**5. independent advisors**

The Board has the authority to retain such independent advisors as it may consider necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

**6. responsibilities of the chair**

The Chair of the Board is appointed at the pleasure of, and reports to the Board. The responsibilities of the Chair include:

- working collaboratively with the CEO to coordinate the affairs of the Board and to ensure effective relations with Officers, shareholders, other stakeholders and the public; and
- ensuring that the Board is organized properly, functions effectively, and meets its obligations and responsibilities in all aspects of its work.

**(a) relationship with the CEO**

The Chair will maintain unfettered bi-lateral communication with the CEO. The Chair's interaction with all other Officers is permitted as appropriate.

The Chair will work collaboratively with the CEO:

- to act as the principal sounding board, counselor and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships;

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- to ensure the CEO is aware of concerns of the directors, other Officers, shareholders, other stakeholders and the public;
  - to assess, in conjunction with the relevant committees, the performance of the CEO and provide input with respect to compensation and succession;
  - to work closely with the CEO to ensure management strategies, plans, and performance are appropriately presented to the Board; and
  - at the request of the CEO, to provide assistance on major policy issues such as acquisitions, divestitures, and new strategic initiatives.

**(b) relationship with the board**

The Chair will work collaboratively with the other members of the Board:

- to lead the Board in monitoring and evaluating the performance of the CEO, the accountability of the CEO, and the implementation of management succession and development plans;
- to ensure the Board receives adequate and regular updates from the CEO on all issues important to the interests of the Corporation;
- to maintain a liaison and communication with all directors and committee chairs to coordinate input from directors, and optimize the effectiveness of the Board and its committees; and
- in collaboration with the CEO, to ensure data requested by directors or committees is provided in a timely manner and meets their needs.

**(c) board meetings**

The Chair has the responsibility:

- to chair meetings of the Board;
- to ensure the directors are alert to their obligations to the Corporation, shareholders, management, other stakeholders and pursuant to law;
- to establish the frequency of meetings of the Board and review such frequency from time to time, as considered appropriate or as requested by the directors;
- to assist the appropriate committee in identifying a slate of directors to be nominated for election to the Board;
- to recommend board committees and their composition, review the need for, and the performance and suitability of, those committees and make such adjustments as are deemed necessary from time to time, all in conjunction with the CEO and the relevant committees;

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- to prepare the agenda and coordinate the distribution of the agenda, information packages and related materials for meetings of the Board in consultation with the CEO;
  - to coordinate the review and assessment of individual attendance, performance and compensation of directors and the size and composition, and overall performance of the Board, all in conjunction with the relevant committees of the Board;
  - to endeavor to ensure that the Board's key discussions take place when as many of the directors as possible are present and that essential decisions are made when as many directors as possible are present (either in person or by telephone);
  - to endeavor to ensure that Board meetings can be scheduled to deal with important business that arises outside of the regular periodic meetings;
  - to endeavor to ensure that the Board is able to function independently of management;
  - to consider, and allow for, when appropriate a meeting of all independent directors, so that Board meetings can take place without management being present;
  - to endeavor to ensure reasonable procedures are in place to allow for directors to engage outside advisors at the expense of the Corporation, in appropriate circumstances; and
  - to apply the Rules of Order:
    - to ensure that the meeting is duly constituted;
    - to ensure the meeting provides for reasonable accommodation;
    - to confirm the admissibility of all persons at the meeting;
    - to preserve order and the control of the meeting; and
    - to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

**(d) shareholder meetings**

The Chair has the responsibility:

- to chair meetings of shareholders;
- to ensure, in collaboration with the CEO and relevant committees, that the Corporation's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, and other stakeholder groups;

- 
- at the request of the CEO, to assist in representing the Corporation at specific shareholder presentations, or with senior levels of industry or government to promote specific corporate objectives;
  - at the request of the CEO, to undertake public service activities in conjunction with the Corporation's charitable, educational and cultural objectives; and
  - to apply the Rules of Order:
    - to ensure that the meeting is duly constituted;
    - 
    - to ensure the meeting provides for reasonable accommodation;
    - 
    - to confirm the admissibility of all persons at the meeting;
    - 
    - to preserve order and the control of the meeting;
    - 
    - to appoint scrutineers if requested and instructing them in their duties;
    - 
    - to rule on the validity of proxies; and
    - 
    - to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

## SCHEDULE G: Corporate Governance Disclosure Form

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**Pieridae Energy Limited  
Disclosure Requirement  
Practices**

**Corporate Governance**

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**Board of Directors**

Disclose the identity of directors who are independent.

Five of the six current directors of the Corporation are independent. The following directors are independent as that term is defined in section 1.4 of Multilateral Instrument 52-110 and NI 58-101:

- Myron A. Tétreault
- Andrew Judson
- Kjell Pedersen
- Charles Boulanger

Disclose the identity of directors who are not independent and describe the basis for that determination.

Alfred Sorensen and Tim De Freitas are not independent. Alfred is the President and Chief Executive Officer of the Corporation and Tim is the Chief Operating Officer of the Corporation.

Disclose whether or not a majority of directors is independent. If a majority of directors is not independent, describe what the Board of Directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.

A majority of the directors are independent.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Alfred Sorensen is Director of Canadian Spirit Resources (Alberta) from January 2012 until now and was CEO from April 2012 until September 2014

Myron A Tétreault is Director of PHX Energy Services Corp and its predecessor since since May 2007.

Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

### **Board Mandate**

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

### **Orientation and Continuing Education**

Briefly describe what measures the board takes to orient new directors regarding:

- the role of the board, its committees and its directors,
- and the nature and operation of the issuer's business.

### **Ethical Business Conduct**

Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

However, the Board held in camera sessions without management at most meetings of the directors.

The attendance record of each director at Board and Committee meetings is set out under the heading "*Election of Directors*" in the Circular.

In addition to formal meetings of the Board and Committees, the directors engage in regular, informal discussions.

The terms of reference of the Board is attached as Schedule "C" to the Circular.

Directors keep themselves informed and receive copies of all up to date required information on boards of directors or committees. Due to the limited number of directors and the emerging nature of the Company, no formal training system is established.

The Board of Directors acknowledges that it assumes the responsibility of supervising the Company in order to conduct the business in an ethical and competent manner.

To guarantee the exercise of Directors' independence of judgment when reviewing transactions and contracts in which a director or executive officer has a material interest, these transactions are reviewed and approved only by directors meeting in committee of the board and the director who has such an interest must abstain from participating in the

### **Nomination of Directors**

Describe the process by which the board identifies new candidates for board nomination.

discussions and vote on the subject.

A whistleblowing policy is also in place to facilitate the denunciation of fraud or any other actions contrary to the policies of the company.

Each director, officer, employee and full-time consultant is required to complete a certificate certifying compliance to all policies in place.

The Governance and Compensation Committee is responsible for the review and assessment of the size, composition and operation of the Board and committees of the Board to ensure effective decision-making; and identify and assess new candidates for nomination to the Board.

The Board regularly considers its size when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Governance and Compensation Committee regularly examines the composition of its then current Board and the competencies, skills and financial acumen of the current Directors.

## **Compensation**

Describe the process by which the board determines the compensation for the issuer's directors and officers.

Please refer to "*Summary Compensation – table*" in the Circular for details of the executive and director compensation structure and policies.

## **Other Board Committees**

If the board has standing committees other than the Audit, Governance and Compensation committees, identify the committees and describe their function.

The Board's other standing committee is the Reserves and Health, Safety and Environment Committee. The Reserves and HSE Committee is responsible for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities, and reviewing and reporting to the Board on: (i) the Corporation's procedures relating to the disclosure of such information; (ii) the appointment of, or any changes to, the independent consultants engaged to report on the Corporation's oil and gas reserves pursuant to the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"); and (iii) the Corporation's procedures for providing information to the consultants. Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultants' report required under NI 51-101, the Reserves Committee meets with responsible management of the Corporation and the independent consultants to review the evaluation report, and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the *Statement of Reserves Data and Other Oil and Gas Information* and related reports required under NI 51-101.

## **Assessments**

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board of Directors ensures the proper functioning of the Board, the Audit Committee and the Governance and Compensation as well as the Reserves and HSE Committee by periodically reviewing and assessing the composition and effectiveness.

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## **SCHEDULE H: Audit Committee Mandate**

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### **1. primary objective**

The primary objective of the Committee in discharging its mandate on behalf of the Board is to assist the directors of the Corporation in satisfying their responsibilities in respect of the preparation and disclosure of the consolidated financial statements of the Corporation, the satisfactory performance of the independent audit function and the assessment and mitigation by the Corporation of risk attendant on its business and affairs.

Accordingly, the Committee will be concerned with such matters as the integrity of the Corporation's financial records and financial reporting, oversight of the audit function and the assessment and mitigation of risk.

### **2. membership**

The Committee shall consist of three or more directors appointed by the Board, at least a majority of which shall qualify as independent of the Corporation for purposes of National Instrument 52-110 (unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon).

Each member of the Committee shall be financially literate as such qualification is interpreted by the Board in its business judgment.

The Board shall designate one member of the Committee as Chair.

Any member of the Committee may be removed or replaced at any time by the Board. A member will cease to be a member of the Committee as soon as such member ceases to be a director of the Corporation.

The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following the appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

### **3. mandate**

#### **(a) statutory responsibilities**

The Committee has the statutory responsibility to review the consolidated financial statements of the Corporation before they are approved by the Board<sup>9</sup>.

#### **(b) financial records and financial reporting**

The Committee has the responsibility:

- to review and evaluate accounting systems and procedures including the internal controls over the Corporation's financial records and financial reporting;
- to assess the integrity of the Corporation's financial records;

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<sup>9</sup> Subsection 171(3) of the CBCA

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- to assist the directors in meeting their responsibilities in respect of the preparation and disclosure of financial statements of the Corporation and related matters;
  - to review and evaluate the annual consolidated financial statements, the annual non-consolidated financial statements and the interim consolidated and interim non-consolidated financial statements of the Corporation and in so doing, to review and to discuss with management such matters as:
    - any significant issues as to the adequacy of the internal controls and any special steps adopted in light of material control deficiencies;
    - significant accruals, reserves or other estimates such as the ceiling test calculation;
    - accounting treatment of unusual or non-recurring transactions;
    - compliance with any covenants under loan agreements;
    - disclosure requirements for any commitments and contingencies;
    - disclosure requirements for any impairment of assets;
    - significant variances with comparative reporting periods;
    - significant financial reporting issues and judgments made in connection with the preparation of the annual or interim consolidated financial statements;
    - any significant changes in the selection or application of accounting principles;
    - the approval of any reports for inclusion in the annual report, as required by applicable law;
  - to review and evaluate management's discussion and analysis, annual information form, any information memoranda and prospectuses and all other public disclosure containing financial information (including press releases disclosing financial information) before release and prior to Board approval;
  - to conduct an investigation sufficient to provide reasonable grounds for believing that the Corporation's financial statements, management's discussion and analysis, annual information form and all other public disclosure containing financial information are complete in all material respects and consistent with the information known to Committee members;
  - to assess whether the annual consolidated financial statements present fairly, in all material respects, the Corporation's financial position, its financial performance and its cash flows in accordance with International Financial Reporting Standards and to recommend to the Board the approval of the annual consolidated financial statements.

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**(c) oversight of the audit function**

The Committee has the responsibility:

- to assess the nature and scope of the external audit function as well as any internal audit function;
- to make recommendations to the Board for the appointment and replacement of the external auditor and the setting of their compensation;
- to assess the external auditor's qualifications and independence and to consider whether the auditor's quality controls are adequate, and the provision of permitted non-audit services is compatible with, maintaining the auditor's independence;
- to facilitate and enhance communication between the Board and external auditor in relation to matters concerning the Corporation;
- to approve all non-audit services to be performed by the external auditor including the fees, terms and conditions for the performance of such services;
- to oversee the relationship between the Corporation and its external auditor including the evaluation of the performance of the external auditor, and the lead partner on the external auditor's engagement, in relation to the preparation or issuance of audit reports or the provision of other audit, review, attestation or other services for the Corporation including resolution of any disagreements or disputes between management and the external auditor in regard to financial reporting;
- to discuss with the external auditor matters relating to the conduct of the annual audit including:
  - the scope, planning and staffing of the annual audit;
  - the audit report on the annual consolidated financial statements of the Corporation and any matters required to be communicated by the external auditor;
  - the unaudited interim consolidated financial statements of the Corporation and any matters required to be communicated by the external auditor;
  - adjustments raised by the external auditor, whether or not included in the consolidated financial statements;
  - any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management; and
  - other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;

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- to periodically privately consult with the external auditor about internal controls of the Corporation;
  - to evaluate whether the Corporation's management is adequately communicating the importance of internal control to all relevant personnel;
  - to obtain and to review the external auditor's report regarding the effectiveness of the internal controls of the Corporation and to ensure the adequate disclosure of such matters as required by applicable law including the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities;
  - to determine whether and the extent to which any internal control recommendations made by the external auditor are being implemented by management;
  - to ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law or corporate policy; and
  - when there is to be a change in the auditor, to review all issues relating to the change, including any reportable events, and all information to be included in the required notice to securities regulators of such change.

The external auditor of the Corporation shall communicate with, and report directly to, the Committee.

**(d) risk assessment and mitigation**

The Committee has the responsibility:

- to review and discuss with management the adequacy of existing policies and procedures governing the risk assessment and risk mitigation processes;
- to review and discuss with management and the external auditor, significant risks and exposures (including commitments associated with farm-in agreements, joint-venture agreements, leases, marketing or transportation arrangements or agreements and all other operational or land agreements, contracts or arrangements) and management's plans and processes to minimize these risks;
- to review the adequacy of the Corporation's insurance coverage;
- to review all consulting arrangements that contemplate the payment by the Corporation of consideration exceeding \$100,000 in aggregate during the term of the arrangement; and
- to review all proposed contracts for the supply of property or services that contemplate the payment either by or to the Corporation of consideration exceeding \$1,000,000 in aggregate during the term of the contract.

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**(e) other responsibilities**

- to assess the Corporation's compliance with applicable law;
- to monitor the Corporation's compliance with policies adopted by the Corporation including the Code of Ethical Conduct and investigate any concerns expressed concerning a possible breach;
- to undertake special investigations, if necessary, and hire special counsel or experts to assist, if appropriate;
- to establish, and review annually, a procedure for:
  - the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and resolution of such concerns, if any;
- to review CEO and CFO expenses and perquisites at least once a year;
- to strengthen the role of the independent directors by facilitating in depth discussions between members of the Committee, management and external auditor; and
- to exercise such other powers and discharge such other responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board;
- to review and assess the adequacy of this mandate periodically and, where necessary, recommend changes to the Governance and Compensation Committee and ultimately to the Board for its approval.

**4. procedure governing errors or misstatements in financial statements**

In the event a director or an Officer of the Corporation has reason to believe, after discussion with management, that a material error or misstatement exists in financial statements of the Corporation, that director or Officer shall forthwith notify the Committee and the external auditor of the error or misstatement of which the director or Officer becomes aware in a financial statement that the external auditor or a former external auditor has reported on.

If the external auditor or a former external auditor of the Corporation is notified or becomes aware of an error or misstatement in a financial statement on which the auditor or former auditor has reported, and if in the auditor's or former auditor's opinion the error or misstatement is material, the auditor or former auditor shall inform each director accordingly.

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When the Committee or the Board is made aware of an error or misstatement in a financial statement the Board shall prepare, and issue revised financial statements or otherwise inform the shareholders of the Corporation and file such revised financial statements as required.

## **5. meetings and operation**

The Chair or any two members of the Committee may call a meeting of the Committee, at such time and at such place as they determine, by giving at least forty-eight hours' notice of such meeting to all members of the Committee and to the external auditor of the Corporation.

The Committee shall meet as often as it determines, but not less frequently than quarterly.

A quorum for meetings of the Committee will be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for the purposes of the meeting.

Agendas, approved by the Chair, will be circulated to the Committee members along with background information on a timely basis prior to the Committee meetings. Minutes of all meetings of the Committee will be taken. The minutes of the Committee will be recorded and maintained, and the Committee shall report to the Board on its activities after each of its meetings.

All members of the Committee are expected to allow sufficient time to review meeting materials and be prepared for Committee meetings. Members are expected to attend most, if not all, Committee meetings.

A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

The CFO will attend meetings of the Committee where matters relating to the functions as the Committee are dealt with, unless otherwise excused from all or part of any such meeting by the Chair. The Committee may invite such other Officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end consolidated financial statements) and at such other times as the external auditor and the Committee consider appropriate. The Committee is expected to establish and maintain free and open communication with management and the external auditor and shall periodically meet separately with each of them.

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Any issues arising from the Committee meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.

**6. independent advisors**

The Committee has the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

**7. limitations on the duties of the members of the committee**

Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

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## **SCHEDULE I: Reserve and Health, Safety and Environment Committee Mandate**

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### **1. primary objective**

The primary objective of the Committee in discharging its mandate on behalf of the Board is to assist the directors of the Corporation in satisfying their responsibilities in respect of the timely compliance by the Corporation with its disclosure and related obligations under National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the protection by the Corporation of the health and safety of its employees and of the environment.

### **2. membership**

The Committee shall consist of three or more Directors appointed by the Board at least one of whom must have sufficient technical expertise to interpret and critically evaluate a reserve report prepared by an independent consultant and all of whom shall qualify as independent of the Corporation for purposes of National Instrument 52-110 (unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon).

The Board shall designate one member of the Committee as Chair.

Any member of the Committee may be removed or replaced at any time by the Board. A member will cease to be a member of the Committee as soon as such member ceases to be a director of the Corporation.

The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following the appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

### **3. mandate**

#### **(a) oil and gas activities**

The Committee has the responsibility:

- to review the Corporation's procedures relating to the disclosure of information with respect to its oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- to review the Corporation's procedures for providing information to the independent evaluator;
- to meet, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "Reserves Data") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);

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- to review the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
  - to provide a recommendation to the Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent evaluator and of management in connection therewith;
  - to review the Corporation's procedures for reporting other information associated with oil and gas producing activities;
  - to review the methodology for calculating oil and gas reserves and the valuation of reserves. In general, the methodology must be consistent with regulatory requirements for public oil and gas companies in Canada, including:
    - reserves data and other information will be prepared in accordance with the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"); and
    - an independent evaluator will audit or evaluate the reserves data and other information on an annual basis pursuant to NI 51-101;
  - to review the merits of a proposed acquisition, or a proposed disposition, of any resource properties and to make recommendations to the Board in relation thereto; and
  - to generally review all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

**(b) health, safety and the environment**

The Committee has the responsibility:

- to review and approve health, safety and environmental policies and changes in or additions to, those policies and all related standards, accountabilities and programs for the Corporation in the context of legal and operational considerations;
- to monitor the Corporation's implementation of, and adherence with, health, safety and environmental policies consistent with all laws and regulations existing in the jurisdiction where it operates;
- to review the Corporation's documentation, and timely disclosure to governmental authorities, of incidents with respect to health, safety and the environment;

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- to require management to ensure that employees are aware of the Corporation's policies with respect to health, safety and environmental matters and are expected to respond to all health, safety and environmental concerns and matters expeditiously and to bring such concerns to the attention of appropriate management personnel;
  - to review results of any operational health, safety and environmental audits and to ensure that management maintains appropriate internal and external health, safety and environmental audits;
  - to ensure that principle areas of health, safety and environmental risk and impacts are identified and that sufficient resources are allocated to address these;
  - to receive and review reports from management and independent consultants, if any, on the nature and extent of compliance or any non-compliance with health, safety and environmental policies, standards and applicable legislation;
  - to investigate, or cause to be investigated, any extraordinary negative health, safety and environmental performance where appropriate, to correct deficiencies, and to report to the Board on the status of such matters;
  - to require management to keep it apprised of current and emerging issues and proposed legislation in health, safety and environmental matters as they may affect the Corporation's operations and shall bring to the attention of the Board such issues as it shall think appropriate; and
  - to review such other health, safety and environmental matters as the Committee may consider suitable or the Board may specifically direct.

**(c) other responsibilities**

- to exercise such other powers and discharge such other responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board; and
- to review and assess the adequacy of this mandate periodically and, where necessary, recommend changes to the Board for its approval.

**4. meetings and operation**

The Chair or any two members of the Committee may call a meeting of the Committee, at such time and at such place as they determine, by giving at least forty-eight hours' notice of such meeting to all members of the Committee and to the external auditor of the Corporation.

The Committee shall meet as often as it determines, but not less frequently than quarterly.

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A quorum for meetings of the Committee will be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for the purposes of the meeting.

Agendas, approved by the Chair, will be circulated to the Committee members along with background information on a timely basis prior to the Committee meetings. Minutes of all meetings of the Committee will be taken. The minutes of the Committee will be recorded and maintained, and the Committee shall report to the Board on its activities after each of its meetings.

All members of the Committee are expected to allow sufficient time to review meeting materials and be prepared for Committee meetings. Members are expected to attend most, if not all, Committee meetings.

A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

The Committee may invite such Officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

Any issues arising from the Committee meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.

#### **5. independent advisors**

The Committee has the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

#### **6. limitations on the duties of the members of the committee**

Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

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