

**THE MANDATES OF  
PIERIDAE ENERGY LIMITED  
AND ITS AFFILIATED CORPORATIONS AND PARTNERSHIPS**



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## MANDATES

### BOARD OF DIRECTORS

#### 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.

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<sup>1</sup> Paragraph 122(1)(a) of the CBCA

<sup>2</sup> Paragraph 122(1)(b) of the CBCA

<sup>3</sup> Subsection 120(1) of the CBCA

<sup>4</sup> Subsection 122(2) of the CBCA

### 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.

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<sup>5</sup> Subsection 102(1) of the CBCA

<sup>6</sup> Subsection 158(1) of the CBCA

<sup>7</sup> Subsection 155(1) of the CBCA

<sup>8</sup> Subsection 115(3) of the CBCA

**(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.

**(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.

**(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.

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;
- 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;
- to prepare the agenda and co-ordinate 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.

## AUDIT COMMITTEE

### **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, each of whom shall qualify as independent of the Corporation for purposes of National Instrument 52-110 [Audit Committees] (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>.

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

**(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;
- 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 satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the issuer’s financial statements (other than the public disclosure referred to above) and to periodically assess the adequacy of those procedures;
- 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; and
- to review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

**(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 pre-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;
- 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; 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 \$5,000,000 in aggregate during the term of the contract.

**(e) other responsibilities**

- to monitor the Corporation's compliance with applicable law;
- to monitor the Corporation's compliance with National Instrument 52-109 [Certification of Disclosure in Issuers' Annual and Interim Filings];
- to monitor the Corporation's compliance with policies adopted by the Corporation including the Code of Ethical Conduct and investigate any concerns expressed regarding a possible breach in accordance with the Whistleblower Policy or otherwise;
- 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.

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 quarterly during each year (in connection with the preparation of the interim and annual consolidated financial statements of the Corporation) 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.

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.

## GOVERNANCE AND ESG COMMITTEE

### 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 and relevant environment, social and other governance matters.

### 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 [Audit Committees] (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

The Committee has responsibility:

#### (a) corporate governance

- to review the adequacy and effectiveness of the Board's governance practices, to make appropriate recommendations to the Board for their improvement and to prepare a statement of corporate governance practices to be included in the Corporation's annual report and/or management information circular in accordance with National Instrument 58-101 [Disclosure of Corporate Governance Practices];
- to review the corporate governance sections of each annual report, each annual information form, each management information circular, each prospectus and similar document that is filed or distributed by the Corporation to shareholders or others;
- 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, skills and diversity that the Board, as a whole, should possess;
- to make 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 each of the existing members 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;
- 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 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 development and succession;
- 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 and ensure that management has established processes to monitor compliance with this code;
- 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) environment, social and other governance matters**

- to review and provide guidance as to the content of the Corporation's ESG framework and to consider and to recommend policies that conform with the framework;
- to assist the Board, which in consultation with the CEO, will set the Corporation's general strategy with respect to ESG matters, including the identification, and management of material ESG risks and opportunities, to review any concomitant ESG goals and set realistic future targets and to integrate such matters into the business strategy, processes and compensation philosophy of the Corporation with a view to maximizing value over time;
- to review, approve and recommend to the board the reporting and disclosures on ESG matters made in any securities filing, management information circular or similar documents with a view to addressing the expectations of stakeholders;
- to assist the Board, which in consultation with the CEO, will oversee the internal and external communications regarding the Corporation's position or approach to ESG matters including stakeholder engagement;
- to consider and bring to the attention of the CEO and the Board, as appropriate, current and emerging ESG matters that may affect the business, operations, performance or public image of the Corporation or are otherwise pertinent to the Corporation and its stakeholders, and to make recommendations on how the Corporation's policies, practices and disclosures can adjust to or address current and emerging ESG matters;
- to make visits, as individual members or as a Committee, in cooperation with the Reserves & HSE Committee, to operating locations in order to become familiar with the nature of the operations and review relevant objectives, procedures and performance with respect to ESG matters;
- to recommend the implementation of systems to monitor ESG matters and to exercise oversight in regard to those systems; and
- to advise the Board and CEO on shareholder proposals and other significant shareholder concerns relating to ESG matters;

**(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 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.

**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.

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 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.

## COMPENSATION AND NOMINATION COMMITTEE

### 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 management of its human resources and the compensation of its directors and the CEO and the evaluation of their respective 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 [Audit Committees] (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

The Committee has responsibility:

#### (a) compensation and performance

- to establish an overall compensation policy for the Corporation and monitor its 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;
- 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 periodically review and recommend approval to the Board of the corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance relative to the achievement of those goals and objectives (it being stipulated that the CEO shall not be present during any deliberations or voting by the Committee with respect to such matters) and review and administer a succession plan for the CEO and other members of senior management;
- to review the executive compensation sections disclosed in any securities filing, management information circular or similar document;
- 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 overall 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.

**(b) nomination**

- to develop and recommend policies regarding the director nomination processes, including:
  - whether the Committee will consider any director candidates recommended by shareholders and any procedures to be followed by shareholders in submitting such recommendations;
  - any specific minimum qualifications that the Committee believes must be met by a Committee-recommended nominee for a position on the Board and any specific qualities or skills that the Committee believes are necessary for one or more of the Board members to possess; and
  - the Committee's process for identifying and evaluating nominees for director, including nominees recommended by shareholders and any differences in the manner in which the Committee evaluates nominees based on whether the nominee is recommended by a shareholder;
- to assess the qualifications, expertise and characteristics of Board members, with the goal of developing a diverse, experienced and highly qualified Board and in so doing, the Committee will consider such factors as independence, integrity, diversity, age, skills, financial and other expertise, breadth of experience, knowledge about the Corporation's business or industry and willingness and ability to devote adequate time and effort to Board responsibilities in the context of the existing composition, other areas that are expected to contribute to the Board's overall effectiveness and needs of the Board and its committees;

- to identify and recruit qualified candidates for Board membership to fill new or vacant positions on the Board, consistent with criteria approved by the Board with due regard to the Corporation's diversity and inclusion policy.
- to oversee inquiries into the backgrounds and qualifications of potential candidates for membership on the Board, including annual review of the independence of the non-executive directors of the Corporation;
- to consider nominations properly submitted by the Corporation's shareholders in accordance with the procedures set forth in the Corporation's bylaws or determined by the Committee from time to time;
- to recommend to the Board appropriate criteria for the selection of all nominees to become members of the Board by appointment or to be proposed by the Board for election by the shareholders, including recommendation of the names of the individuals to be proposed by the Board for election at each annual meeting of shareholders and recommendation of all director nominees to be elected by the Board to fill interim director vacancies;
- to consider the desirability of procedures for the retirement or replacement of members of the Board and, if the Committee deems appropriate, review and recommend to the Board adoption or amendment of such procedures; and
- to review and discuss the narrative disclosure regarding the director nomination process, including any minimum qualifications and diversity consideration implemented by the Committee or the Board and the experience, qualifications, attributes and skills that qualify each of the nominees and continuing Board members to serve as members of the Board to be included in any securities filing, management information circular or similar document.

**(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.

The Committee shall meet as often as it determines.

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.

## RESERVE AND HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

### 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. In addition, with the combined effort of the Governance and ESG Committee, ensure that the corporation carries out appropriate environmental and social practices or mandates in the areas in which it operates, and to review and recommend a policy put forth by Management, to the Board of Directors for approval.

### 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 ensure that Management has complied with reporting and disclosure procedures as set out by the Alberta Securities Commission, specifically as it relates to the following disclosure and reporting standards:
  - Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information;
  - Form 51-101F2 Report on Reserves Data, Contingent Resources Data, and Prospective Resources Data by Independent Qualified Reserves Evaluator or Auditor;

- Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure (Form 51-101F3).
- to ensure that Management has provided all factual information required for the Evaluator to prepare the Reserves Report in accordance to guidelines as expressed in the COGE Handbook. Further, the committee must ensure that standard lease operating statements provided to the Evaluator are prepared on an “activity level” and in accordance with IFRS rules and that asset ownership data is supplied in a manner that is transparent, complete and accurate. The committee shall also ensure that other requisite data is provided to the Evaluator and that it is complete and accurate, to the best of Management’s knowledge, and that there has not been any restrictions placed by Management which may affect the ability of the evaluator to report without reservation.
- to review the appointment of the independent evaluator with Management 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 Report 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 merits of a proposed material acquisition, or a proposed material disposition, of any resource properties and to make recommendations to the Board in relation thereto;
- to review the merits of any multi-year and multi-well resource development plan; 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 recommend to the Board for approval the Corporate Health, Safety and Environment Policy and changes to the policy.
- 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 management documentation, to ensure that the Corporation meets or exceeds regulatory requirements including, when required,

disclosure to government authorities of incidents with respect to health, safety and the environment;

- 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 ensure that management maintain appropriate internal and external operational health, safety and environmental audits, and to review these if material issues have been identified;
- to receive and review reports from management and independent consultants, if any, on the nature of 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 make visits, as individual members or as a Committee, to operating locations in order to become familiar with the nature of operations and to review relevant objectives, procedures and performance with respect to HSE 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**

The Committee has the responsibility:

- 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.

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. It is expected that responsible management shall be reporting on particulars at each committee meeting.

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.