

# **TAMARACK VALLEY ENERGY LTD.**

## **Board of Directors Mandate**

### **Policy Statement**

Tamarack Valley Energy Ltd. (the “**Corporation**”) has established this mandate for the Board of Directors (the “**Board**”) of the Corporation to assist it in fulfilling its responsibility to oversee the business and affairs of the Corporation and the activities of management who are responsible for the day to day conduct thereof.

### **Composition**

A majority of the directors shall be resident Canadian and shall be “independent” as such term is defined in Section 1.4 of *National Instrument 52-110 - Audit Committees* and any other applicable securities legislation unless a member is deemed not to be independent only by virtue of being an executive officer of a subsidiary entity.

### **Meetings**

1. The Board will meet at least four times annually and at such other times as it considers necessary for the purpose of governing the business and affairs of the Corporation. In addition the Board will meet at least once each year to review the longer term strategies and prospects of the Corporation.
2. Information and data that is important to the Board’s understanding of the business and affairs of the Corporation should be distributed by management to the Board on a timely basis in advance of the meetings. Care should be taken to ensure that the Board is not called upon too late in the decision making process.
3. As a general rule presentations on specific subjects should be sent by management to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material.
4. The President and Chief Executive Officer (the “**CEO**”) will be responsible for the extent and quality of the information sent to members of the Board.
5. Senior management should be invited to attend the Board meetings as appropriate to expose the directors to key members of management and to provide additional insight into the items being considered by the Board.
6. The Board will hold in camera sessions without management or any other individuals present, at every Board meeting.

### **General Responsibilities**

The Board has the responsibility to oversee management of the Corporation with a view to ensuring legal requirements have been met, and documents and records have been properly prepared, approved and maintained. In that regard the Board will strive to ensure that the

Corporation meets its obligations on an ongoing basis and that it operates in a reliable and safe manner.

1. The Board will review and approve the quarterly and annual financial statements of the Corporation and the communication of such results and operations to the shareholders.
2. The Board will oversee the overall development of the business of the Corporation by reviewing, discussing and approving the Corporation's strategic planning and organizational structure for the purposes of growth and preservation of the business of the Corporation and its underlying value.
3. The Board will be responsible for the appointment of the CEO and all other senior management and approving their compensation.
4. The Board will oversee that succession planning programs are in place, including programs to train and develop management.
5. The Board will consider management's procedures for risk management and mitigation, communication, safety, sustainability and environment and internal control of the Corporation.
6. The board will approve the annual reserve report.
7. The board will approve the annual sustainability report.
8. The Board may discharge its responsibility for overseeing the management of the Corporation's business and affairs, by delegating to management the day to day responsibility for the same and by reserving certain powers to itself. The Board will retain the responsibility of managing its own affairs and procedures, including selecting the lead director of the Board, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Notwithstanding the foregoing general responsibilities, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board, subject to the articles and by-laws of the Corporation, applicable securities legislation and the *Business Corporations Act* (Alberta).

### **Specific Duties**

To carry out its general responsibilities, the Board will, as it determines appropriate from time to time:

1. *Legal Requirements*
  - (a) endeavour to ensure the Corporation meets its legal requirements and properly prepares, approves and maintains its documents and records;
  - (b) oversee the management of the business and affairs of the Corporation;
  - (c) act honestly and in good faith with a view to the best interest of the Corporation;

- (d) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances;
  - (e) act in accordance with its obligations contained in the *Business Corporation Act (Alberta)* and the regulations thereto, the Corporation's articles and by-laws, and other relevant legislation and regulations;
  - (f) comply with applicable statutory duties and obligations set out in applicable legislation;
  - (g) consider the following matters as a full Board which in law may not be delegated to management or to the committee of the Board:
    - i. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
    - ii. filling of a vacancy among the Board;
    - iii. issuance of securities;
    - iv. declaration of dividends;
    - v. purchase, redemption or any other form of acquisition by the Corporation of securities issued by the Corporation;
    - vi. payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase securities of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchases for any such securities;
    - vii. approval of management proxy circulars;
    - viii. approval of any take-over bid circular or directors' circular;
    - ix. approval of public financial statements of the Corporation; and
    - x. adoption, amendment or repeal of any by-laws of the Corporation; and
  - (h) review and obtain assurance from management and the Corporation's independent engineering firm that the Corporation's disclosure of oil and gas reserves and future net revenue complies with applicable securities legislation, which in law may be delegated to a committee of the Board, subject to the requirement that the full Board meet with any such committee and review and approve the content and filing of such disclosure in accordance with *National Instrument 51-101- Standards of Disclosure for Oil and Gas Activities* and applicable securities legislation.
2. *Governance*
- (a) oversee the implementation of appropriate structures and procedures to permit the Board to function independently of management; and

- (b) in consultation with management, be aware of and consider whether the Corporation complies with applicable securities legislation or polices of any stock exchange on which the Corporation's securities are listed for trading regarding corporate governance.

3. *Strategy Determination*

- (a) review and approve the strategic plan, which plan shall be prepared by management and reviewed and approved by the Board on an annual basis

4. *Managing Risk*

- (a) in consultation with management, understand the principal risks of the Corporation's business, oversee the achievement of a proper balance between risks incurred by the Corporation and the potential return of shareholders while considering objectives of the Sustainability Report, and review the systems in place to effectively monitor and manage those risks with a view to the long-term viability of the Corporation, it having recognized that it is the responsibility of management to ensure that the Board and the appropriate committees are kept well informed of new and changing risks on a timely basis.

5. *Appointment, Training and Monitoring of Senior Management*

- (a) appoint the CEO, monitor and assess CEO performance, determine CEO compensation, and provide advice and counsel in the execution of the CEO's duties;
- (b) approve the appointment and remuneration of all officers of the Corporation;
- (c) consider whether adequate provision has been made for training and developing management and for the orderly succession of management; and
- (d) consider the integrity of the CEO and other officers and whether the CEO and other officers create a culture of integrity throughout the Corporation.

6. *Reporting and Communication*

- (a) satisfy itself that the Corporation has in place policies and programs to enable the Corporation to communicate with its shareholders, other stakeholders and the public generally;
- (b) review the resources and procedures in place such that the financial performance of the Corporation is reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (c) review and, if applicable, obtain assurance from management and the auditors that the financial results are reported in accordance with applicable legislation;
- (d) review the approach to sustainability reporting, including the manner in which environment, social and governance concerns are addressed;
- (e) consider procedures for the timely reporting of any other developments that have a significant and material effect on the value of the Corporation; and

- (f) report annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year.

7. *Monitoring and Acting*

- (a) make reasonable efforts to consider whether the Corporation operates within applicable legislation and to proper ethical standards;
- (b) approve environmental policies and periodically consider the application of appropriate environmental standards and legislation on the operations of the Corporation;
- (c) approve health and safety policies and periodically consider the application of appropriate programs for the health and safety of its employees in the workplace;
- (d) consider the Corporation's progress towards its goals and objectives and, if necessary, revise and alter its direction through management in response to changing circumstances;
- (e) take appropriate action when performance falls materially short of the Corporation's goals and objectives or when other special circumstances warrant;
- (f) consider the implementation of adequate internal control and information systems designed to ensure the effective discharge of the Board's responsibilities; and
- (g) consider the Corporation's internal control and information systems after implementation.

**Other**

1. The Board may perform any other activities consistent with this mandate, the Corporation's by-laws or any other governing laws as the Board determines necessary or appropriate.

2. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Board shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the information provided by such persons or organizations, and (iii) representations made by management, independent counsel, and other advisors and experts to the Corporation and its subsidiaries.

**Board Committees**

The Board shall at all times maintain: (a) an Audit Committee; (b) a Corporate Governance and Compensation Committee; (c) a Reserves Committee; and (d) a Environment, Safety and Sustainability Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in

the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

### **Director Access to Management**

The Corporation shall provide each director with complete access to the management of the Corporation, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's management, business and operations. Prior to any director of the Corporation initiating a discussion with any employee of the Corporation, including management, such director shall have the obligation to provide notice to the Chairman and the CEO that the director intends on initiating such a discussion.

### **Director Compensation**

The Board, upon recommendation of the Corporate Governance and Compensation Committee, will determine and review the form and amount of compensation to directors.