



**PRAIRIE PROVIDENT RESOURCES INC.**

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**BOARD OF DIRECTORS CHARTER**

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This Charter of the Board of Directors (the "Board") of Prairie Provident Resources Inc. (the "Corporation") is adopted as of September 13, 2016 to promote the effective functioning of the Board and its committees (each, a "Committee").

This Charter, together with the charters of the various Committees constituted from time to time, provides a framework for the governance of the Corporation, with sound corporate governance policies and practices providing an essential foundation for the Board in fulfilling its oversight responsibilities in respect of the Corporation.

**Role of the Board and Management**

The Corporation's day-to-day business is conducted by its officers, employees and agents, under the direction of the Chief Executive Officer of the Corporation (the "CEO") and the oversight of the Board, with the objective of enhancing the long-term value of the Corporation. The Board is elected by the shareholders to oversee management of the business and affairs of the Corporation and is required by law to act in the best interests of the Corporation as a whole having due regard to the interests of the shareholders and, as applicable, other stakeholders.

**Oversight Responsibility**

In fulfilling its stewardship role to supervise the management of the business and affairs of the Corporation, the Board shall oversee the development of, and approve, the Corporation's goals and objectives and the strategy for their achievement, including by providing oversight and guidance on the strategic issues facing the Corporation and on the implementation of appropriate business plans to effect corporate strategy, and monitoring the Corporation's progress towards the execution of its strategy and the achievement of its goals and objectives. In furtherance of that responsibility, the Board shall consider the principal risks of the business in which the Corporation is engaged with a view to achieving a proper balance between risks incurred and the potential return, and satisfy itself that there are systems in place to monitor and manage those risks with a view to the long-term viability and interests of the Corporation.

**Individual Director Responsibilities**

Directors shall perform the roles and functions described in this Board Charter and the in charters of all Committees on which they serve. They must devote sufficient time and resources to carry out their responsibilities, including through attendance and active participation at Board and Committee

meetings and diligent review of materials distributed in connection therewith. The Corporation shall make arrangements to facilitate director attendance and participation by telephone, electronic means or other communication facilities that permit all participants to hear each other. In serving as Board and Committee members, directors shall comply with all applicable laws, including the *Business Corporations Act* (Alberta) and applicable securities laws.

### **Board Composition, Qualifications and Independence**

Number of Directors. The size of the Board shall be fixed from time to time in accordance with the provisions of the Corporation's constating documents and bylaws, as in effect from time to time.

Director Independence Generally. A majority of the Board shall be individuals who are not officers or employees of the Corporation or any of its affiliates, and do not otherwise have any direct or indirect relationship with the Corporation or any of its affiliates that could, in the Board's view, be reasonably expected to interfere with the exercise of his or her independent judgment, and otherwise meet such criteria for independence as are prescribed under applicable corporate and securities laws for determining the independence of a Canadian public company's directors generally (and not, for certainty, such additional criteria as may be applicable in respect of an audit committee).

The Board shall otherwise be comprised of persons who, individually and in the aggregate, meet all applicable qualification criteria with which the Corporation is required to comply under applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject, and any applicable policies of the Board from time to time. The Board will regularly review the relationships between the Corporation and each director and other relevant factors to determine whether applicable independence and other qualification criteria are met, including in advance of any proposal to nominate an incumbent director for re-election to the Board.

Independence of Committee Members. In addition to the independence requirements applicable to directors generally, the Board shall, in constituting any particular Committee and appointing the members thereof, have regard to such additional criteria for independence as may be applicable in respect of that Committee under applicable corporate and securities laws and stock exchange requirements, including in particular the additional independence standards applicable in respect of audit committees.

Nomination of Board Members. The Nominating and Corporate Governance Committee of the Board ("NCGC") shall lead the search for and identify individuals qualified to serve on the Board. The NCGC will evaluate director candidates and inquire into their backgrounds and qualifications, and make recommendations to the Board regarding director nominees to be presented for approval at shareholders' meetings or for appointment between shareholders' meetings, as applicable. Shareholders may nominate directors for election at the Corporation's annual shareholders' meeting in accordance with applicable law and the Corporation's constating documents and bylaws, as in effect from time to time.

Director Qualifications. The Corporation seeks a Board comprised of individuals that, taken together, represent depth and diversity of experience at policy-making levels in business and other areas relevant to the Corporation's business and affairs. With that in mind, the Board considers candidates diverse in background and professional and educational experience. All directors must have high personal and professional ethics and integrity and exhibit characteristics of diligence, objectivity, accountability,

informed judgment, financial literacy, maturity, high performance standards and relevant knowledge and skills. Directors must be committed to representing the best interests of the Corporation.

Directors should be prepared to serve on the Board for an extended period, and must be committed to devoting the time and resources necessary to carry out their responsibilities and be sufficiently familiar with the business and affairs of the Corporation to ensure active participation in the deliberations of the Board and each Committee on which he or she serves.

### **Director Orientation and Continuing Education**

New Board members are to be provided with a director orientation session and continuing directors are to be provided opportunities for continuing education to become more knowledgeable about areas of importance to the Corporation's business and affairs. In addition, management of the Corporation shall make appropriate personnel available to answer any questions a director may have about any aspect of the Corporation's business and affairs. Directors are free to contact the CEO at any time to discuss any aspect of the Corporation's business and affairs, and shall have unrestricted access to other officers, employees and advisors of the Corporation and its subsidiaries.

### **Resignation and Tenure of Service**

Management directors shall offer to resign as a director (subject to acceptance by the Board) at the time of retiring or resigning from employment with the Corporation or any subsidiary thereof, as applicable. A director is also expected to offer to resign (subject to acceptance by the Board) in the event of any change in personal or professional circumstances that compromises his or her ability to effectively serve as a director of the Corporation and carry out his or her responsibilities. If an offer to resign is not accepted by the Board, then the director's tenure will continue unaffected for the remaining term. Although the Board does not consider term limits on a director's service to necessary or appropriate for the Corporation, directors cannot expect nomination for re-election after each term until retirement. The Board's self-evaluation process referred to below is an important factor in determining a Board member's tenure.

### **Director Compensation**

Compensation and other benefits to directors shall be reviewed annually by an appropriate Committee and guided by the principles that directors be fairly compensated for the work required in light of scale and scope of the Corporation and its business and affairs, that the interests of directors be aligned with the best interests of the Corporation and that the compensation and benefits program be transparent to shareholders.

### **Ethics and Conflicts of Interest**

The Board expects the Corporation's directors, officers and employees to act ethically at all times and to adhere to the Corporation's Code of Business Conduct and Ethics as in effect from time to time. Directors must promptly disclose to the Board and the NCGC any actual or potential conflicts of interest involving or affecting a director, and must comply with all applicable requirements of corporate and other laws in connection with the conflict. Disclosure of conflicts must be made promptly and in any event prior to any Board or Committee meeting at which transactions or other matters to which the actual or potential conflict relates are expected to be considered. Directors must recuse themselves

from Board or Committee proceedings or decisions affecting their personal, business or professional interests, or otherwise as required by law.

### **Board Structure and Meetings**

Board Leadership. The Board is led by its Chair, who shall be a director selected by resolution of the Board who is independent within the meaning of applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject. The Board Chair shall preside at all Board meetings (including in camera sessions), and approve the agenda in consultation with the CEO and, as considered appropriate by the Chair, Committee chairs and other directors. Any director may request that additional items be included on the agenda for a Board meeting.

Board Meetings. The Board shall meet not less than once per fiscal quarter to (without limitation) review, receive and discuss presentations and reports by management on the Corporation's performance, business, strategic plans, opportunities and prospects, and progress towards its goals and objectives, as well as immediate issues confronting the Corporation. The Board will meet at such other times and intervals as are necessary to effectively supervise the management of the business and affairs of the Corporation and otherwise fulfill its responsibilities, and also hold periodic informational sessions from time to time at the instance of the Chair of the Board or the CEO to update the directors on significant developments and events.

Absent extenuating circumstances, directors are expected to attend all scheduled meetings of the Board and of Committees on which they serve, and review in advance meeting materials distributed in connection therewith.

Unless the Board determines it to be impracticable in respect of any particular meeting, the Board shall hold an in camera session without management or non-independent directors at each regular meeting of the Board.

Board Committees. The Board has established the following 4 standing Committees to assist it in discharging its responsibilities: (i) Audit Committee; (ii) Reserves Committee; (iii) Compensation Committee; and (iv) Nominating and Corporate Governance Committee. Each such Committee has its own charter. The Board may, from time to time, establish and maintain such additional Committees, or reorganize existing Committees, as it deems necessary or appropriate in its discretion. Committee members are appointed by the Board and may be removed by the Board in its discretion. In appointing Committee members the Board shall designate one member as Committee chair, who shall (among other things) be responsible for reporting to the Board on the Committee's activities. Committee meetings may be held in conjunction with full Board meetings.

The membership of each Committee shall meet all applicable independence and other qualification criteria with which the Corporation is required to comply under applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject, and any applicable policies of the Board from time to time.

No member of the Audit Committee may simultaneously serve on more than 2 other audit committees of public companies, unless the Board shall have determined that such simultaneous service will not impair the member's ability to effectively serve on the Audit Committee.

Unless a Committee determines otherwise, the agenda, materials and minutes for each Committee meeting shall be available to all directors, and other directors may attend a Committee meeting (provided that management directors cannot participate in any in camera session of a Committee). Any director may request that an item from a Committee meeting agenda be considered by the full Board.

A Committee's chair shall preside at all meetings of that Committee (including in camera sessions), and approve the agenda in consultation with the Board Chair, appropriate executive officers of the Corporation and, as considered appropriate by the Committee chair, other directors. Any Committee member may request that additional items be included on the agenda for a Committee meeting.

Annual Performance Evaluation. The Board and each Committee will perform an annual self-evaluation, under which each director will be asked to provide his or her assessment of the effectiveness of the Board and each Committee on which the director serves.

### **Access to Management and Advisors**

Directors shall have unrestricted access to the management and advisors of the Corporation and its subsidiaries. The Board and its Committees have the right at any time to engage, at the Corporation's expense, independent legal counsel and such other advisers as the Board or such Committee may, in its discretion, from time to time determine to be appropriate in the performance of its responsibilities, and to determine the terms of engagement.

### **Succession Planning**

The Board will monitor, develop and implement succession planning for the CEO and other senior executives, based on recommendations from the appropriate Committee(s). The CEO should at all times make available his or her recommendations and evaluations of potential successors, including a review of any recommended development plans for such individuals.

### **Board Interaction with External Constituencies**

The Board takes the position that management speaks for the Corporation. Accordingly, directors will not meet or otherwise directly communicate with shareholders, research analysts, vendors, press representatives or other external constituencies on behalf of the Corporation unless the communication (i) is requested by the Chair, the CEO or the Board, (ii) is necessary in the performance of responsibilities hereunder or the applicable Committee charter, or (iii) occurs during the course of a Board or Committee meeting in which shareholder observers are participating.

A majority of the independent directors shall approve the Corporation's process for collecting and organizing shareholder communications to the Board.

### **Reporting of Concerns and Other Communications with the Board**

Any complaint, concern or other communication from an interested person regarding (i) accounting, auditing, internal control or financial reporting matters, or legal or regulatory compliance at the Corporation, should be directed to the Chair of the Audit Committee, or (ii) any other matter concerning the Corporation, should be directed to the Chair, in either case in care of the Corporate Secretary of the Corporation, at the Corporation's principal office in Calgary, Alberta.

**Majority Voting Policy**

The Board shall adopt a majority voting policy pursuant to which any director nominated for election at a shareholders' meeting involving an uncontested election must tender to the Board his or her resignation if not elected by a majority of votes cast in respect of his or her election. The policy shall apply to incumbent and new directors, and a director must offer to resign in the circumstances and as otherwise provided in the policy.