



**Notice of Annual & Special Meeting of  
Shareholders to be held on May 26, 2022**

**Management Information Circular**

**April 12, 2022**



## PIERIDAE ENERGY LIMITED

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Please join us at our 2022 annual and special meeting of shareholders (the “**Meeting**”), which will be held in a virtual only meeting format.

#### When

May 26, 2022  
commencing at 8:30 a.m. (Mountain Time)

#### Where

The Meeting will be held via live audio webcast online at: [meetnow.global/M4UGSLX](https://meetnow.global/M4UGSLX)

To continue to mitigate risks to the health and safety of our shareholders, employees, other stakeholders and communities, Pieridae Energy Limited (“**Pieridae**”) will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. Thus, shareholders will have the opportunity to participate in the Meeting online regardless of their geographic location. During the Meeting, participants will have the opportunity to ask questions and to vote on a number of important matters. Interested shareholders are encouraged to participate in the Meeting. Inside this document, you will find important information and detailed instructions about how to participate in the Meeting on a virtual basis.

#### What the Meeting will cover

1. **Receiving** the 2021 consolidated financial statements of Pieridae and the related auditor’s report;
2. **Fixing** the number of directors of Pieridae to be elected at 8;
3. **Electing** the directors of Pieridae;
4. **Appointing** Ernst & Young LLP as auditors of Pieridae;
5. **Approving** the amended and restated stock option plan of Pieridae (the text of which is set forth in Schedule A attached to the Management Information Circular);
6. **Advisory Vote** on our approach to executive compensation (say on pay); and
7. **Considering** any other business that is properly brought before the Meeting or any adjournment or postponement thereof.

Please refer to the attached Management Information Circular for more details.

#### Your vote is important

The attached Management Information Circular tells you about the items of business for consideration, who may vote and how you can vote. Please read the Management Information Circular carefully and remember to vote.

Non-Registered Shareholders (as defined in the accompanying Management Information Circular) who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided to you by your broker or intermediary, which may include the completion and delivery of a voting instruction form. **Shareholders that are unable to participate in the Meeting** or any adjournment or postponement thereof via live

audio webcast are requested to date and sign either the accompanying form of proxy or the voting instruction form issued to you by your broker or other intermediary, and mail it in the envelope provided, so that **it is received no later than 8:30 am (Mountain Time) on May 24, 2022**, to: Computershare Trust Company of Canada, Attention: Proxy department, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Alternatively, Shareholders may use the internet ([www.investorvote.com](http://www.investorvote.com)) or the telephone (1-866-732-VOTE (8683)) to transmit voting instructions. In each case, proxies must be received by Computershare Trust Company of Canada not later than 8:30 am (Mountain Time) on May 24, 2022, or 48 hours before the time of the adjourned or postponed meeting (excluding weekends and holidays).

**If you are a Non-Registered Shareholder (as defined in the accompanying Management Information Circular) and do not complete and return the voting instruction form and other materials in accordance with the instructions for voting provided to you by your broker or intermediary, you may not be entitled to vote at the Meeting, either online or by proxy.**

If you have any questions about the Meeting or about voting, please contact Computershare Trust Company of Canada by telephone (toll-free) at 1-800-564-6253.

**By order of the Board of Directors of Pieridae Energy Limited**

dated April 12, 2022 at Calgary, Alberta

*"Thomas E. Valentine"*

Thomas E. Valentine  
Corporate Secretary

## **MANAGEMENT INFORMATION CIRCULAR**

You have received this Management Information Circular (the “**Circular**”) because you owned common shares (“**Common Shares**”) of Pieridae Energy Limited (the “**Corporation**” or “**Pieridae**”) as of the close of business on April 12, 2022 (the “**Record Date**”).

You are entitled to receive notice of, and to vote your Common Shares at, the annual and special meeting (the “**Meeting**”) of the Corporation’s shareholders (the “**Shareholders**”) to be held via live audio webcast online at: [meetnow.global/M4UGSLX](https://meetnow.global/M4UGSLX) on May 26, 2022 commencing at 8:30 a.m. (Mountain Time) or at any adjournment or postponement thereof.

The management of Pieridae is soliciting your proxy for the Meeting, which means that management is hereby contacting you to encourage you to vote. We do this primarily by mail, but we may also telephone you. All associated costs (which we expect to be minimal) will be paid by the Corporation.

Within the Circular you will find important information about the Meeting, the items of business to be considered during the Meeting and detailed instructions about how to participate in the Meeting, and how to vote your Common Shares, on a virtual basis. Unless otherwise indicated, all information contained in this Circular is given as of the Record Date and all dollar amounts referenced herein are stated in the Canadian currency.

**The Board of Directors of the Corporation has approved this Circular and its distribution to the Shareholders.**

Dated at Calgary, Alberta on April 12, 2022.

Pieridae Energy Limited

*“Alfred Sorensen”*

**Alfred Sorensen**  
Chief Executive Officer  
Pieridae Energy Limited

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## LETTER TO SHAREHOLDERS

### *Turning the Page*

We have begun to look beyond the pandemic that has held the world in its grasp since 2020, while recognizing its profound impact on the macroeconomic environment within our industry. It was encouraging to see commodity prices offer a tangible sign of hope in 2021 many had been looking for, surging to a 10-year high last fall.<sup>1</sup> Increased demand kickstarted a global economic recovery the likes of which had not been seen since the negative days brought on by the pandemic. One needs to look no further than energy prices ending 2021 59% higher than the first trading day of the year.<sup>2</sup>

From an overall macroeconomic perspective, the rise in energy prices helped to stabilize the ship somewhat. In 2022, the reopening of world economies is placing enormous stress on existing energy production infrastructure worldwide. Multi-year under-investment in the industry the past three years means energy demand has and will likely continue to surge past existing production capacity, resulting in higher and more volatile energy prices for the foreseeable future. We believe this macro supply-demand imbalance will take many years to correct. Fortunately, with the asset mix Pieridae possesses, we are exceptionally well placed to capitalize on these circumstances and grow our business across all commodity lines.

Building on strong economics and the Government of Alberta lifting COVID restrictions, we now have the opportunity to further build company culture. Bringing collaboration back into the office after two years of working apart will help energize our focus and direction. Through this improved environment, we can better pursue synergies, tackle our issues, take advantage of our opportunities and build on past successes.

Pieridae achieved a number of operational successes in 2021. We had large turnarounds, which are planned maintenance shutdowns, at two of our gas complexes: Jumping Pound and Caroline. Both were completed very close to budget and on time, which took a significant amount of planning and effort. The fact that we were able to complete those two turnarounds without any degree of COVID-related interruption is a testament to the efforts of the entire Pieridae team. These projects ensured the facilities were ready for the harsh cold of winter and beyond.

An ongoing commitment to safety and watching COVID move to our rearview mirror were offset by the state of flux our company experienced for a number of months in 2021. This was primarily due to the announced Strategic Review that kicked off at the end of July. The process initiated opportunities to either recapitalize the balance sheet or to monetize certain assets or the company itself.

In the end, the special Board committee set up to oversee the Review concluded the various alternatives presented were not compelling relative to the company's stand-alone prospects. The restructuring of Pieridae's credit agreement announced January 4, 2022 played a pivotal role in the special committee's conclusion and it was fully supported by the entire Pieridae Board.

One of the big lessons coming out of that process is that the marketplace sees Foothills development opportunities as challenging. Our job in 2022 is to prove that while yes, they are challenging, there is significant economic opportunity in doing so successfully. We need to prove that and show the marketplace the Foothills are an economic place to develop oil and gas resources that are competitive with the Montney. And that's why drilling wells this year is such an

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<sup>1</sup> Bloomberg 'Commodities Prices Are Surging Again' – September 13, 2021

<sup>2</sup> S&P Goldman Sachs Commodity Index (GSCI)

important part of our overall plan, demonstrating we are able to drill economically in Alberta to bring on new production to help fill up our gas plants, lower per-unit operating costs and increase revenue.

Pieridae also continues to look at ways to strengthen the relationship with our First Nations neighbours on Stoney Nakoda reserve lands. These reserve lands contain the largest untouched conventional resources so the opportunity to bring that gas supply to our Jumping Pound facility is important and we hope to initiate that process in 2022. It's a way for us to work with the Indigenous community and allow the Stoney access into the gas plant and the benefits that come with it.

As we look for ways to add additional gas to those plants, we continue to evolve our risk management processes to ensure we balance meeting our obligations to hedge and protect revenue while also taking advantage of rising commodity prices. Hedging was very expensive for us in 2021 as we came into the year with a larger percentage of our gas production hedged at prices far below market, particularly in the last half of the year.

Hedging can be a useful tool but it can become very expensive because you've got to have credit to do it and ensure volumes are available when needed. It's a delicate balance when it comes to understanding the impact hedges have on our overall business. It is difficult to hedge in a rising market and you also need to be prepared to hedge in a falling market. Just to put it in context, look at what happened in 2020 when natural gas and crude oil prices collapsed significantly, more so than they had ever had before. Pieridae was hedged going into 2020 and those hedges performed very well. One of the reasons we survived that period was the fact that we took advantage of our hedge position and it allowed us to monetize our position and participate in the price recovery. So, hedging is a bit of a double edged sword, but it can be used effectively to manage the capital requirements of the company to ensure our long liquidity.

Subsequent to the Strategic Review, we continue to look for ways to recapitalize Pieridae's balance sheet. Nothing is more important than refinancing the company's debt. Discussions to find solutions that make sense for both shareholders and for our lender are ongoing. The company did reach an agreement with our main lender to incorporate the \$50 million deferred fee owing to them into the overall loan currently due in October of 2023. The deferred fee will not accrue interest while outstanding.

The issue of the transfer of licenses from Shell to Pieridae for the Foothills assets we purchased in the fall of 2019 must be resolved. Late in 2021, the Alberta Energy Regulator or AER released updated guidelines for companies when transferring assets. Those guidelines are significantly more stringent than what existed when we originally did the transaction with Shell. As a result, both Shell and Pieridae decided to revise the application and plan to resubmit at a future date under the new regulatory framework. Importantly, Pieridae continues to own the Foothills assets and has responsibility for their safe operation while Shell remains the licensee of record.

While we did not experience any significant production setbacks due to the COVID pandemic in 2021, it had a significant impact on the company by contributing to our inability to reach a final investment decision to build the Goldboro LNG project, fully integrate it into the natural gas markets in Western Canada, and finance that whole process by having our long term natural gas sales agreement with German energy company Uniper. Reaching a final investment decision for the Project would have allowed us the ability to access a much lower cost of capital. Our business plan was sidelined as a result of the inability to achieve FID.

This outcome has changed the primary focus of Pieridae from an integrated LNG company with an upstream business to an upstream company with a potential LNG option.

Fast forward to early 2022 and there is now renewed interest in our project. With the outbreak of war between Russia and Ukraine, the issue of security of supply has become front and centre. Pieridae could provide a solution that would allow Canada to take a leadership role in supplying much needed natural gas overseas for 20-30 years, pushing back against the dangers presented by the dependence of Europe on Russian gas. That solution is in the form of a net zero emissions floating LNG facility. The potential project the company has been analyzing has a capacity of 2.4 million tonnes per annum, with natural gas needs of 400 mmcf/d, which is 5% of total German daily consumption – an amount that would make a true difference.

What we need is a commitment of support from the Government of Canada that this initiative is a national priority. If deemed so, then pipeline capacity to transport the gas must be worked out, as well as resolving emissions constraints under Nova Scotia's cap-and-trade program. Having the Mi'kmaq involved as partners so that they might share in the benefits of this project is also a priority. And above all, there will be no project unless Pieridae finds a partner as funding for an LNG initiative will not be done on the back of the company's current balance sheet.

Natural gas continues to be viewed as a bridge fuel as the world continues a methodical, even-paced transition to lower carbon fuels. While the Ukraine invasion has turned energy policy on its head, the path of decreasing CO<sub>2</sub> emissions along with a greater focus on diversity and equity in the workplace have propelled ESG, or Environmental, Social and Governance, into the spotlight in recent years. Pieridae recognized this and we were proud to release our inaugural ESG Report in 2021.

Some important steps were taken such as implementing diversity surveys, measuring and tracking emissions to understand how we can best reduce them, and structuring our committees at the Board level to break out a separate Governance and ESG Committee to give this area the focus it deserves.

We are also following through on a previous commitment to add additional, senior level bench strength in this area by hiring an ESG Director. This individual will report directly to the President and Chief Operating Officer and will be tasked with building a strategic partnership with the company's executive leadership team, while fulfilling the role of thought leader for ESG initiatives, performance, reporting, governance and execution.

Pieridae has a plan to achieve carbon neutrality by 2050. A lot of that is centered around carbon sequestration and methane emissions reduction. Although it is going to be challenging to meet some of the requirement's government has put in the path of industry, we intend to show the marketplace the company is serious about meeting this goal, and we will be devoting the appropriate resources to these efforts.

Our Caroline Carbon Capture Blue Power Project announced in May of 2021 could provide a long-term solution to meeting those requirements. It is quite an innovative plan where we combine large-scale carbon storage underground while producing clean power to both operate our Caroline Gas Plant and then sell the remaining clean electricity to the Alberta grid. Our goal in 2022 is to conduct an updated feasibility study for the project. If the concept makes sense, it would be a key part of our carbon management plan which we also aim to develop and deliver this year. That plan would be aligned with our ongoing ESG work.

As we look to the remainder of 2022, energy continues to be an important part of the Canadian story. Canadian exports remain driven by energy which plays a big part in our ability to finance our nation's social programs. We remain bullish that commodity prices will remain robust, which is good news for Pieridae.

Our strategic plan and budget for 2022 are absolutely focused on supporting our upstream business, refinancing our debt and delivering growth on the asset base we have. We must operate as efficiently as possible and increase

production in order to extend the life of our facilities and lower operating costs, leaning on a revived ‘performance culture’ to make this all happen.

We know we can provide the energy to fuel people’s lives during the energy transition and our industry is a fundamental core component of that transition. Access to cheap, low-cost energy is one of the things that has a dramatically positive impact on the health and wealth of countries and their ‘security’ in the world where a global tyrant can upend the delicate balance at any time. We must work to ensure this never happens again.

Pieridae would not have achieved what it did in 2021 without the extraordinary efforts of our staff, management team and directors. We thank them for their dedication and loyalty during a tumultuous year. We also thank our shareholders and other stakeholders for their support of and belief in Pieridae.

April 12, 2022

*“Myron Tétreault”*

**Myron Tétreault**  
Chair of the Board of Directors

*“Alfred Sorensen”*

**Alfred Sorensen**  
Chief Executive Officer

## PROXY INFORMATION

### DATE OF THE INFORMATION CIRCULAR

The date of this this Management Information Circular (the “**Circular**”) is April 12, 2022 (the “**Record Date**”).

### VOTING

As a shareholder of Pieridae, you are entitled to receive notice of, and to vote your Common Shares at, the annual and special meeting (the “**Meeting**”) of the Corporation’s shareholders (the “**Shareholders**”) to be held via live audio webcast online at: [meetnow.global/M4UGSLX](https://meetnow.global/M4UGSLX) on May 26, 2022 commencing at 8:30 a.m. (Mountain Time) or at any adjournment or postponement thereof.

At least two persons who hold or represent by proxy at least 5% of the issued and outstanding Common Shares must be present at the Meeting in order to constitute a quorum thereby enabling the Meeting to proceed. If you submit a properly executed form of proxy or vote by telephone or the internet, you will be considered to be part of the quorum.

As at April 12, 2022 (the “**Record Date**”), the Corporation had 157,681,871 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on each resolution proposed at a meeting of Shareholders. Except for Common Shares, the Corporation has not issued any other voting security. The outstanding Common Shares are listed on the Toronto Stock Exchange under the symbol “PEA”.

With the exception of the advisory vote on executive compensation, we must receive a simple majority of votes cast (50% plus 1 vote) for each of the items put forward at the Meeting in order for that item to be approved. Computershare Trust Company of Canada (“**Computershare**”), our transfer agent and registrar, will count the votes during the Meeting in its capacity as the Corporation’s scrutineer.

### WHO CAN VOTE

If you held Common Shares at 5:00 p.m. (Mountain Time) on the Record Date (April 12, 2022), you are entitled to receive notice of and vote at the Meeting. Each Common Share that you own entitles you to one vote at the meeting or any adjournment or postponement thereof.

We are not aware of any person who beneficially owns or exercises control or direction over (directly or indirectly) more than 10% of the voting rights attached to the Common Shares as at the Record Date, except the following:

- (a) Alberta Investment Management Corporation is the registered holder of 23,419,546 (or approximately 14.9%) of the issued and outstanding Common Shares on the Record Date; and
- (b) Erikson National Energy Inc. is the registered holder of 23,255,813 (or approximately 14.7%) of the issued and outstanding Common Shares on the Record Date.

### HOW TO VOTE

You can vote in one of two ways:

- (a) by participating in the Meeting via live audio webcast online at [meetnow.global/M4UGSLX](https://meetnow.global/M4UGSLX); or
- (b) by having someone else vote for you at the Meeting via live audio webcast (called voting by proxy).

The rules for voting depend on whether you are a “registered shareholder” or a “non-registered shareholder”, as discussed below.

### *Registered shareholders*

You are a *registered shareholder* of Common Shares (a “**Registered Shareholder**”) if you hold the share certificate in your name or your shares are recorded electronically in the direct registration system.

We have sent you a *proxy form* with this package if you would like someone else to vote for you at the Meeting.

### *Non-registered (beneficial) shareholders*

You are a *non-registered shareholder* of Common Shares (a “**Non-Registered Shareholder**”) if you hold your shares through an intermediary where the shares are registered in your intermediary’s name and you are the beneficial shareholder. More particularly, you are a Non-Registered Shareholder if your Common Shares are held on your behalf but registered either: (a) in the name of an intermediary that you deal with in respect of the Common Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the intermediary is a participant.

We do not have the names of Non-Registered Shareholders or a record of the number of shares that are owned by Non-Registered Shareholders.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “Non-Objecting Beneficial Owners” (“**NOBOs**”). Non-Registered Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as “Objecting Beneficial Owners” (“**OBOs**”).

In accordance with the requirements as set out in National Instrument 54-101 (Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators), the Corporation has distributed copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list return card (collectively, the “**Meeting Materials**”) to intermediaries for onward distribution to NOBOs and OBOs.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. The Corporation will reimburse intermediaries for the cost incurred by them in delivering the Meeting Materials to OBOs.

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Non-Registered Shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy, proxy authorization form or voting instruction form is to be delivered.**

### **REVOCABILITY OF PROXY**

Only Registered Shareholders have the right to revoke a proxy.

A Non-Registered Shareholder who wishes to change its vote must arrange for its intermediary to revoke its proxy on its behalf. Your intermediary will send you a *voting instruction form*. You must comply with the instructions on the voting instruction form and return it your intermediary for your vote to be counted at the Meeting.

**VOTING PROCEDURE**

	registered shareholders	non-registered (beneficial) shareholders
<b>Voting by proxy</b>	<p>Your Common Shares will be voted at the Meeting according to your instructions. Send your voting instructions by using your <i>proxy form</i>.</p> <p>You can send your instructions by mail in the addressed envelope enclosed herewith to Computershare. Follow the instructions on the form carefully. <b>Your instructions must be received by 8:30 am (Mountain Time) on May 24, 2022 for your vote to be counted.</b> If you are mailing the form, be sure to allow enough time for the envelope to be delivered.</p> <p>If you are appointing a proxyholder other than Alfred Sorensen or alternatively, Darcy Reding, you must register such proxyholder with Computershare, which is an additional step to be completed once you have submitted your form of proxy. Follow the instructions below under the heading “Register your proxyholder”. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number to vote during the Meeting and will only being able to attend as a guest without voting privileges.</p> <p>If the Meeting is adjourned or postponed, your proxy must be received 48 hours before the time of the reconvened meeting (excluding weekends and holidays).</p>	<p>Beneficial shareholders should vote through Broadridge at <a href="http://www.proxyvote.com">www.proxyvote.com</a>.</p> <p>Your Common Shares will be voted at the Meeting according to your instructions. Send your voting instructions using your <i>voting instruction form</i>.</p> <p>Most intermediaries allow you to send your instructions by mail, internet, telephone or fax, but each has its own process so make sure you follow the instructions on the form. <b>Your intermediary must receive your instructions in enough time to act on them. Check the deadline on the form.</b> If you are mailing your instructions, be sure to allow enough time for the envelope to be delivered.</p> <p>If you are appointing a proxyholder other than Alfred Sorensen or alternatively, Darcy Reding, you must register such proxyholder with Computershare, which is an additional step to be completed once you have submitted your form of proxy. Follow the instructions below under the heading “Register your proxyholder”. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number to vote during the Meeting and will only being able to attend as a guest without voting privileges.</p>
<b>Voting at the Meeting via live audio webcast</b>	<p>If you wish to vote at the Meeting, do not complete and return the proxy form – your vote will be taken and counted at the Meeting, via webcast.</p> <p>Log in online at:</p> <p><a href="http://meetnow.global/M4UGSLX">meetnow.global/M4UGSLX</a></p> <p>We recommend that you login in at least one hour before the Meeting starts. You will need your Control Number to access the Meeting.</p>	<p>To vote at the Meeting, you should strike out the names of the Management Proxyholders named in the voting instruction form sent to you by your intermediary, insert your own name in the space provided on the voting instruction form, follow all of the applicable instructions provided by your intermediary AND register yourself as a proxyholder, as described below.</p>
<b>Register your proxyholder</b>	<p>To register a third-party proxyholder, registered shareholders must visit:</p> <p><a href="http://www.computershare.com/Pieridae">http://www.computershare.com/Pieridae</a></p> <p>by 8:30 am (Mountain Time) on May 24, 2022 and provide Computershare with the requested information including your Holder ID.</p> <p>Computershare will provide the third-party proxyholder with an “invite code” which is required to vote at the Meeting.</p>	<p>To register yourself or a third-party proxyholder, non-registered shareholders must visit:</p> <p><a href="http://www.computershare.com/Pieridae">http://www.computershare.com/Pieridae</a></p> <p>by 8:30 am (Mountain Time) on May 24, 2022 and provide Computershare with the requested information including your CUID which is a 4-character code used to identify the financial/participant institution. If your Common Shares are held at a brokerage firm and if you have received a Broadridge Voting Instruction Form, the CUID is located on the second page of your Voting</p>

registered shareholders	non-registered (beneficial) shareholders
	<p>Instruction Form, top left-hand corner beside the “Proxy Deposit Date”.</p> <p>Computershare will provide the registered proxyholder with an “invite code” after the proxy voting deadline has passed, which is required to vote at the Meeting.</p>
<p><b>Changing your vote</b></p> <p>If you voted by phone or internet, then voting again by phone or internet will revoke your previous vote.</p> <p>If you faxed or mailed your proxy, you can revoke your vote and provide new voting instructions by fax or mail. The letter must be signed by you or your authorized attorney. If the shareholder is a corporation, the instructions must include a corporate seal or be signed by an authorized officer or attorney.</p> <p>Your previous instructions will be revoked as long as:</p> <ul style="list-style-type: none"> <li>• the new voting instructions are received by 8:30 am (Mountain Time) on May 24, 2022, or</li> <li>• you provide the new voting instructions in any other way permitted by law.</li> </ul> <p>If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.</p>	<p>The votes of a properly appointed proxyholder are not counted until the proxyholder attends the Meeting. Therefore, it will not be possible for a non-registered (beneficial) shareholder to revoke their proxy vote.</p>
<p><b>More about voting by proxy</b></p>	<p>When you send in the proxy form, by default you are appointing Alfred Sorensen and, in the alternative, Darcy Reding, to act as your proxyholder and vote on your behalf. They will vote your Common Shares according to the voting instructions you provide on the proxy form. If you do not provide voting instructions, they will vote FOR the resolutions to be voted on at the Meeting. The proxy form confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of the Circular, Management is not aware of any such amendment, variation or other matter to come before the Meeting.</p> <p><b>You also have the right to appoint someone else to represent you at the Meeting or at any adjournment or postponement thereof. This person does not need to be a shareholder of the Corporation. Simply write that person’s name in the blank space provided on the proxy form. That person does not need to be a shareholder. Your vote will be counted as long as the person you appoint attends the Meeting and votes on your behalf. If amendments or new items are brought before the Meeting, your proxyholder can vote as he or she sees fit.</b></p>

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, the management of the Corporation (the “**Management**”) is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since January 1, 2021 (the beginning of the



Corporation's last financial year) or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. All the directors and executive officers of the Corporation may receive incentive stock options pursuant to the Stock Option Plans.

## SHAREHOLDER QUESTIONS AND ANSWERS

### *Why is Pieridae having a virtual only Meeting?*

To continue to mitigate risks to the health and safety of our shareholders, employees, other stakeholders and communities, the Corporation will hold the Meeting in a virtual only format, which will be conducted *via* live audio webcast. Shareholders will have the opportunity to participate in the Meeting online regardless of their geographic location.

### *How will Shareholders be able to participate at the Meeting?*

Registered Shareholders and duly appointed third party proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided that they are connected to the internet and comply with all of the requirements set out below under "How do I vote" and "How do I participate at the Meeting".

Non-Registered Shareholders should have received this Circular, together with either (a) the voting instruction form (or proxy authorization form) from your intermediary to be completed and signed by them and returned to the intermediary in accordance with the instructions provided by the intermediary, or (b) a form of proxy, which has already been signed by the intermediary and is restricted as to the number of Common Shares beneficially owned by you. The voting instructions, proxy authorization form or form of proxy is to be completed by you and delivered to Computershare's address: Attention: Proxy Department, 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 by 8:30 am (Mountain Time) on May 24, 2022, or by 48 hours before the Meeting is reconvened if it was postponed or adjourned or by any other manner permitted by law. To participate in, and to vote during, the Meeting, a Non-Registered Shareholder must complete, sign, and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to participate and vote, will be forwarded to the Non-Registered Shareholder.

Non-Registered Shareholders who have not duly appointed themselves as proxyholders may still participate in the Meeting as a "guest". Guests will be able to listen to the Meeting but will not be able to ask questions or vote at the Meeting. See "How do I vote" and "How do I participate at the Meeting" below.

### *Who is soliciting my proxy?*

The Management of Pieridae is soliciting your proxy for use at the Meeting to be held on May 26, 2022.

### *Will the financial statements of the Corporation be presented at the Meeting?*

The financial statements for the year ended December 31, 2021, together with the auditors' report on these statements, will be presented at the Meeting as the first order of business.

*On what will I be asked to vote?*

You will be asked to vote on the following:

- (a) to fix the number of directors of the Corporation to be elected as 8;
- (b) to elect the directors of the Corporation for the ensuing year;
- (c) to appoint Ernst & Young LLP as the auditors of the Corporation for the ensuing year and authorize the board of directors to fix their remuneration;
- (d) to consider and, if deemed advisable, to pass an ordinary resolution approving the amended and restated stock option plan (the text of which is set forth in attached Schedule A);
- (e) to accept our approach to executive compensation; and
- (f) to transact any other business which may be properly brought before the Meeting.

*How will these matters be decided at the Meeting?*

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

*How many votes do I have?*

You will have one vote for each Common Share that you hold at the close of business on the Record Date (April 12, 2022).

*How many Common Shares are eligible to vote?*

At the close of business on the Record Date, there were 157,681,871 Common Shares issued and outstanding. Each Common Share held by you at that Record Date entitles you to one vote.

*How do I vote?*

If you are eligible to vote and your Common Shares are registered in your name at the close of business on the Record Date, you can vote your Common Shares:

- (a) by completing a ballot online during the Meeting, as further described below under the heading “*How do I participate at the Meeting*”; or
- (b) by proxy, as further described below under the heading “*How can a Registered Shareholder vote by proxy*”; or
- (c) by phone by calling the toll-free number listed on the form of proxy from a touch tone phone, entering your Control Number listed on the form of proxy and following the voting instructions.

In order to vote the Common Shares that you acquired after the Record Date, you must, no later than the commencement of the Meeting:

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

If your Common Shares are registered in the name of an intermediary, such as a bank, trust company, securities broker or other financial institution, (an “**Intermediary**”) please see the instructions below under the heading “*How can a Non-Registered Shareholder vote?*”.

***How do I participate in the Meeting?***

Pieridae is holding the Meeting in a virtual only format, which will be conducted *via* live audio webcast. Consequently, Shareholders will not be able to attend the Meeting in person.

Participating in the Meeting online enables Registered Shareholders and duly appointed proxyholders, including Non-Registered Shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Guests, including Non-Registered Shareholders who have not duly appointed themselves as proxyholder, may log in to the Meeting as a Guest, as set out below, and may listen to the Meeting but will not be able to vote.

Log in online at [meetnow.global/M4UGSLX](https://meetnow.global/M4UGSLX) and proceed based on the following instructions.

Instructions for Registered Shareholders and Proxyholders	Instructions for Guests
<p>Registered shareholders:</p> <p>The Control Number is located on the form of proxy or in the email notification you received is your Control Number.</p> <p>Duly appointed proxyholders:</p> <p>Computershare will provide the proxyholder with an “invite code” by e-mail after the proxy voting deadline has passed and the proxyholder has been duly appointed AND has registered as described under the heading “<i>Appointment of a third party as proxy</i>” above.</p>	<p>Click “Guest” and then complete the online form.</p>

If you participate in the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure and we recommend that you log in at least thirty minutes before the Meeting is scheduled to begin.

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

If your Common Shares are not registered in your name, they will be held by an Intermediary such as a bank, trust company, securities broker or other financial institution. **Each Intermediary has its own procedures that should be carefully followed by Non-Registered Shareholders to ensure that their Common Shares are voted at the Meeting, including when and where the proxy or voting instruction form (or proxy authorization form) is to be delivered.**

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

The following applies to Shareholders who wish to appoint someone as their proxyholder other than the Management Proxyholders named in the form of proxy or voting instruction form. This includes Non-Registered Shareholders who wish to appoint themselves as proxyholder to participate and vote at the Meeting.

Shareholders who wish to appoint someone other than the Management Proxyholders as their proxyholder to participate in, and to vote their Common Shares during, the Meeting as their proxy (including Non-Registered Shareholders who wish to appoint themselves as their proxyholder to participate in, and to vote their Common Shares during, the Meeting) MUST submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder AND register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number that is required to vote at the Meeting.

#### Step 1. Submit your form of proxy or voting instruction form:

To appoint someone other than the Management Proxyholders as proxyholder, insert that person's full legal name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a Non-Registered Shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your Intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described below. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions above under the heading "How do I participate at the Meeting".

If you are a Non-Registered Shareholder located in the U.S.A. and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above under "How do I participate at the Meeting", you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the legal proxy form and the voting information form sent to you or contact your Intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your Intermediary, you must then submit such legal proxy to Computershare. Requests for registration from Non-Registered Shareholders located in the U.S.A. that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail or by courier to: [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com) (if by email), or Computershare, Attention: Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Canada (if by courier), and in both cases, must be labeled "Legal Proxy" and received no later than the voting deadline of 8:30 a.m. (Mountain Time) on May 24, 2022.

#### Step 2. Register your proxyholder:

To register a third-party proxyholder, shareholders must visit [www.computershare.com/Pieridae](http://www.computershare.com/Pieridae) by 8:30 a.m. (Mountain Time) on May 24, 2022 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. Without a Control Number, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.

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

On the form of proxy, you can indicate how you would like your proxyholder to vote your Common Shares for any matter put to a vote at the Meeting and on any ballot that may be called for, and your Common Shares will be voted accordingly.

If you do not indicate how you want your Common Shares to be voted, the Management Proxyholders named in the form of proxy intend to vote your Common Shares in the following manner:

- FOR** the fixing of the number of the number directors of the Corporation to be elected as 8;
- FOR** the election of Management's nominees for directors;
- FOR** the appointment of Management's nominee, Ernst & Young LLP, as the auditors and for the authorization of the directors to fix their remuneration;
- FOR** the approval of the amended and restated stock option plan (the text of which is set forth in attached Schedule A);
- FOR** our approach to executive compensation, as described in this circular; and
- FOR** transacting any other business which may be properly brought before the Meeting.

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

If you are a registered shareholder you can revoke your voting instructions by sending us a notice in writing (from you or a person authorized to sign on your behalf). This request must be delivered to Computershare's address: Attention: Proxy Department, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 by 8:30 am (Mountain Time) on May 24, 2022 or by 48 hours before the Meeting is reconvened if it was postponed or adjourned or by any other manner permitted by law. Alternatively, if you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.

If you are a beneficial shareholder, contact your intermediary to find out how to change or revoke your voting instructions and the timing requirements. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or voting instruction form to ensure it is given effect at the Meeting.

### *How are proxy solicited?*

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

### *How are Meeting Materials delivered to Shareholders?*

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

## BUSINESS OF THE MEETING

The following matters will be presented during the Meeting for consideration by the Shareholders.

As of the Record Date, no director of the Corporation has informed management in writing that he or she intends to oppose any action that is intended to be taken by Management at the Meeting.

### RECEIVING THE ANNUAL REPORT

A copy of the annual report of the Corporation (the “**Annual Report**”), including the consolidated financial statements of the Corporation for the year ended December 31, 2021, the report of auditors thereon and the related management discussion and analysis (“**MD&A**”), will be sent under a separate cover to all Registered Shareholders and to those Non-Registered Shareholders who have requested a copy of the Annual Report.

The Annual Report and other information concerning the Corporation is available on the Corporation’s website at [www.pieridaenergy.com](http://www.pieridaenergy.com) and under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### FIXING THE NUMBER OF DIRECTORS TO BE ELECTED

It is proposed that the number of directors to be elected at the Meeting of the Shareholders be fixed at eight (8).

The text of the proposed resolution is set out below.

*“IT IS RESOLVED as an ordinary resolution that the number of directors to be elected at the annual and special meeting of shareholders of Pieridae Energy Limited held on May 26, 2022 be hereby fixed at eight (8)”*

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the resolution fixing the number of directors to be elected at the Meeting by Shareholders at eight.

### ELECTION OF DIRECTORS

The members of the board of directors of the Corporation (the “**Board**”) are elected at each annual meeting of Shareholders to hold office until the conclusion of the next such annual meeting of Shareholders unless prior to that meeting, the particular director resigns, or the position becomes vacant for any other reason. In such an event, the bylaws of the Corporation (the “**Bylaws**”) permit the Board to fill such vacancy subject to the provisions of the *Canada Business Corporations Act*, R.S.C. 1985, c C-44, as amended, (the “**CBCA**”). In addition, the articles of the Corporation (the “**Articles**”) permit the Board to appoint one or more additional directors of the Corporation who shall hold office for a term expiring not later than the close of the next annual meeting of Shareholders but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

Mark Horrox resigned from his position as director on August 11, 2021 due to the potential for a conflict of interest between Mr. Horrox’s employer and the Corporation related to the strategic review process undertaken by the Special Review Committee, the details of which can be found on page 46 – *Information Concerning Director Compensation*. Mr. Horrox was the representative of Third Eye Capital Corporation pursuant to an agreement entered into among Third Eye Capital Corporation, Erikson National Energy Inc. and the Corporation and became a director in 2019. In compliance with the by-laws, the Board determined not to replace this position at that time. The Corporation wishes to thank Mr. Horrox for his contributions during his time as director.

Myron Tétreault, Charle Gamba and Kjell Pedersen will not be standing for re-election to the Board. Mr. Tétreault has been a director since 2009, Mr. Pedersen since 2018 and Mr. Gamba since 2019. The Corporation would like to take the opportunity to thank Mr. Tétreault, Mr. Pedersen and Mr. Gamba for their contributions during their time as directors.

The Articles allow for a minimum of three, and a maximum of eleven directors of the Corporation. The current approved number of directors of the Corporation is eight<sup>3</sup>. The eight proposed nominees for election to the Board (collectively, the “**Nominees**” and each, a “**Nominee**”) being:

NAME OF NOMINEE	DATE FIRST ELECTED OR APPOINTED AS A DIRECTOR OF THE CORPORATION
Alfred Sorensen	May 29, 2012
Charles Boulanger	December 11, 2012
Andrew Judson	June 12, 2015
Kiren Singh	May 26, 2020
Richard Couillard	new director nominee
Patricia McLeod Q.C.	new director nominee
Gail Harding Q.C.	new director nominee
Doug Dreisinger	new director nominee

TABLE 1

Except for Alfred Sorensen, all of the other Nominees are considered to be independent.

Please refer to the text under the heading “*Information Concerning Nominees for Election to the Board*” for particular biographical and other information concerning each Nominee and to the text under the heading “*INFORMATION CONCERNING GOVERNANCE*” for a further discussion of the independence of the Nominees.

Each Nominee who is elected as a director will hold that office until the conclusion of the next annual meeting of the Corporation or until their resignation, if sooner.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the fixing of the number of directors to be elected at the Meeting at eight and FOR the election as directors of the Nominees whose names are set forth above.

<sup>3</sup> Due to Mr. Horrox’s resignation the number of directors sitting on the Board is currently seven. See page 20 for further information.

## APPOINTMENT OF AUDITORS

Ernst & Young LLP has been the Corporation's auditors since 2014. The Board proposes to re-appoint Ernst & Young LLP, chartered professional accountants, as auditors of the Corporation at remuneration to be fixed by the Board. The proposed resolution is set out below.

*"IT IS RESOLVED as an ordinary resolution that Ernst & Young LLP be hereby appointed auditors of Pieridae Energy Limited to hold office until the close of the next annual meeting of shareholders of the corporation, at such remuneration as may be fixed by the corporation's board of directors."*

The Board recommends that Shareholders vote FOR this resolution.

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

### *External Auditor Service Fees*

Information regarding the amount and nature of the fees that were paid by the Corporation to its external auditors is disclosed on page 37 of the annual information form of the Corporation for the year ended December 31, 2021, a copy of which can be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and which was filed on SEDAR on March 24, 2022.

## PROPOSED APPROVAL OF THE AMENDED AND RESTATED STOCK OPTION PLAN

The Corporation has made further amendments to the stock option plan that was approved by Shareholders at the last Annual and Special Meeting of Shareholders on May 27, 2021. The further amended and restated plan is in the form attached hereto as Schedule A (the "Amended and Restated Stock Option Plan"), as approved and adopted by the Board on May 19, 2021 and posted on SEDAR on May 21, 2021.

The further amendments to the Amended and Restated Stock Option Plan were occasioned following a review by a leading proxy advisory firm of the 2021 Management Information Circular. All legitimate concerns of shareholders or noted deficiencies in best practice offered by leading proxy advisory firms are taken seriously by the Corporation. As such, having duly considered the concerns identified, the Board approved and adopted the proposed revisions for submission to Shareholders.

The amendments, as contained in Schedule A of the Circular, are the inclusion of a new section 2.7 and a fully revised section 5.3. The first revision addressed the recommendation that it is considered more appropriate that non-employee director participation limits be introduced, as opposed to a discretionary participation, as was the policy's previous basis. The second revision addressed the concern that the plan did not sufficiently limit the ability of the Board to amend the plan without shareholder approval. The Board fully accepted and adopted the revisions to reflect corporate best practice.

The Toronto Stock Exchange<sup>4</sup> does not require the Corporation to seek Shareholder approval for the amendment introducing non-employee director participation limits as such amendments are permitted under the rules and under the Corporation's current plan. However, the Corporation has elected to submit both amendments to Shareholders for their approval. To be effective, the resolution respecting the amended and restated stock option

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<sup>4</sup> Security Based Compensation Policy



plan (the “Stock Option Plan Resolution”) must be approved by a majority of the votes cast by the Shareholders present or represented by proxy at the Meeting. The text of the Stock Option Plan Resolution is set out below.

*“IT IS RESOLVED as an ordinary resolution that:*

- a. the amendments to the provisions governing non-employee director participation limits, which were approved by the board on May 19, 2021, the text of which is reproduced in Schedule A to the Management Information Circular dated April 12, 2022, be accepted and adopted;*
- b. the amendments to the provisions governing amendments requiring shareholder approval, which were approved by the board on May 19, 2021, the text of which is reproduced in Schedule A to the Management Information Circular dated April 12, 2022, be accepted and adopted; and*
- c. any director or officer of Pieridae Energy Limited is hereby authorized to execute and deliver, whether under corporate seal or otherwise, any agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such director or officer in his or her discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution.”*

The Board recommends that Shareholders vote FOR the approval of the Stock Option Plan Resolution.

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

#### **ADVISORY VOTE ON EXECUTIVE COMPENSATION (SAY ON PAY)**

The Corporation is pleased to provide shareholders, from this year forward, the opportunity to vote on a non-binding advisory resolution to accept or reject our approach to executive compensation as more particularly described in this Circular.

The Board believes its executive compensation program aligns the interests of the executives and employees with those of the Corporation’s shareholders through our commitment to providing an equitable yet market competitive compensation program that will attract, motivate, retain and reward a diverse, qualified and dedicated employee cohort at all levels within the Corporation. Please review *“INFORMATION CONCERNING EXECUTIVE COMPENSATION”* before voting on this matter.

The proposed resolution is set out below.

*“IT IS RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Management Information Circular delivered in advance of the 2022 annual and special meeting of shareholders.”*

The Board recommends that Shareholders vote FOR the advisory vote to accept our approach to executive compensation.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the advisory vote to accept our approach to executive compensation.

As this is an advisory vote, the results are not binding upon the Board, however the Board will report on and take into account the results when considering compensation in the future.

## INFORMATION CONCERNING NOMINEES FOR ELECTION TO THE BOARD

### BIOGRAPHICAL INFORMATION REGARDING THE NOMINEES

#### *Alfred Sorensen — Director and Chief Executive Officer*

<p>Name of Nominee: Alfred Sorensen</p> <p>Credentials: B.Comm., CPA, CA</p> <p>Age: 61</p> <p>Residence: Calgary, Alberta, Canada</p> <p>Non-Independent</p>	<p>Mr. Sorensen has been the chief executive officer of Pieridae Energy Limited since its founding in 2012.</p> <p>He obtained a Bachelor of Commerce degree from the University of Alberta in 1983, qualified as a chartered accountant (CA) in 1987 and is currently a chartered professional accountant (CPA).</p> <p>Mr. Sorensen is a leading entrepreneur in the energy industry with over 30 years of Canadian and international experience. Mr. Sorensen served as the chief executive officer of Canadian Spirit Resources from 2013 to 2015.</p>		
Board memberships of other public corporations: none			
<p>Voting results at 2021 annual meeting:</p> <p>For: 64,403,146 (99.90%)</p> <p>Withheld: 67,623 ( 0.10%)</p>	<p>Director since May 29, 2012</p> <p>Currently holds position of Chief Executive Officer</p> <table border="1"> <tr> <td>Board meeting attendance:</td> <td>15 out of 15</td> </tr> </table>	Board meeting attendance:	15 out of 15
Board meeting attendance:	15 out of 15		
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 12,299,053	Mr. Sorensen did not serve on any committees of the Board during 2021.		

#### *Charles Boulanger — Director*

<p>Name of Nominee: Charles Boulanger</p> <p>Credentials: B.Sc.A., Mechanical Engineering</p> <p>Age: 64</p> <p>Residence: Quebec City, Quebec, Canada</p> <p>Independent</p>	<p>Mr. Boulanger is the chief executive officer of LeddarTech Inc., a private company that offers unique ADAS (Advanced Driver Assistance System) and AD (autonomous driving) sensing and perception technologies. He is also the president of Moody Management Inc., a private investment firm.</p> <p>Mr. Boulanger has over 35 years of experience in senior management positions in several industrial sectors with companies such as Shell Canada Limited, a subsidiary of Royal Dutch Shell, Irving Oil, a subsidiary of Irving Group of Companies, GSI Environnement Inc. and Prolab Technolub Inc. He currently sits on the boards of Chimie Parachem s.e.c., and LeddarTech Inc.</p> <p>Mr. Boulanger earned a degree in mechanical engineering from Université Laval in 1981 and graduated from the senior management program at the International Center for Research and Studies in Management (CIREM) in 1990.</p>
Board memberships of other public corporations: none	
<p>Voting results at 2021 annual meeting:</p> <p>For: 64,389,544 (99.87%)</p>	<p>Director since December 11, 2012</p> <p>The term of office will expire on May 26, 2022</p>

Withheld: 81,225 ( 0.13%)	Board meeting attendance:	15 out of 15
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 352,795	Audit Committee meeting attendance:	4 out of 4
	Reserves & HSE Committee meeting attendance:	3 out of 4

**Andrew Judson — Director**

<p>Name of Nominee: Andrew Judson</p> <p>Credentials: B.A., M.B.A.</p> <p>Age: 54</p> <p>Residence: Calgary, Alberta, Canada</p> <p>Independent</p>	<p>Mr. Judson is a director of Condor Petroleum Inc., a public Canadian company operating oil and gas developments in Turkey and Kazakhstan.</p> <p>Mr. Judson also serves as a Senior Advisor for Fortis Capital Advisors, a partner owned investment bank. Previously Mr. Judson was a Managing Director of Camcor Partners Inc.</p> <p>Mr. Judson has more than 25 years of experience in Canadian energy capital markets and has advised some of the largest institutional investors in Canada, the U.S.A. and Europe on energy investments.</p>	
Board memberships of other public corporations: Condor Petroleum Inc.		
<p>Voting results at 2021 annual meeting:</p> <p>For: 64,249,014 (99.66%)</p> <p>Withheld: 221,755 ( 0.34%)</p>	<p>Director since June 12, 2015</p> <p>The term of office will expire on May 26, 2022</p>	<p>Board meeting attendance:</p> <p>14 out of 15</p>
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 332,697	Audit Committee meeting attendance:	4 out of 4
	Governance & Compensation Committee meeting attendance <sup>5</sup> :	2 out of 2
	Nomination & Compensation Committee attendance <sup>6</sup> :	2 out of 2
	Special Review Committee meeting attendance:	26 of 27

**Kiren Singh — Director**

<p>Name of Nominee: Kiren Singh</p> <p>Credentials: B.Comm., MBA, CFA, CRM, ICD.D</p> <p>Age: 57</p> <p>Residence: Canmore, Alberta, Canada</p> <p>Independent</p>	<p>Ms. Singh is a financial executive and corporate director. Ms. Singh served as Chief Financial Officer, Vice President Risk Management and Treasurer during her 30-year career in the energy sector where she led and participated in more than \$4.5 billion corporate financings and \$11 billion of global project financings and insurance programs representing privately held and publicly traded Canadian (Toronto Stock Exchange) and US (New York Stock Exchange) corporations including Gibson Energy Inc., OPTI Canada Inc., Value Creation Inc., Exxon Mobil Corporation and Mobil Corporation.</p> <p>Ms. Singh serves on the board of Travel Alberta (Chair, Audit, Finance and Risk Committee).</p>	
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<sup>5</sup> Mr. Judson was Chair of the Governance & Compensation Committee until it ceased following a reorganisation effective May 27, 2021.

<sup>6</sup> Mr. Judson became Chair of the Nomination & Compensation Committee effective May 27, 2021.

	She holds a Masters of Business Administration and Bachelor of Commerce degrees (University of Calgary), a Certified Financial Analyst designation (CFA Institute), CRM (Global Risk Management Institute) and ICD.D (University of Toronto).	
Board memberships of other public corporations: none		
Voting results at 2021 annual meeting:  For: 64,404,679 (99.90%) Withheld: 66,090 ( 0.10%)	Director since May 26, 2020 The term of office will expire on May 26, 2022	
	Board meeting attendance:	15 out of 15
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 232,800	Governance & Compensation Committee meeting attendance <sup>7</sup> :	2 out of 2
	Governance & ESG Committee meeting attendance <sup>8</sup> :	3 out of 3
	Audit Committee meeting attendance <sup>9</sup> :	2 out of 2
	Nomination & Compensation Committee meeting attendance <sup>10</sup> :	2 out of 2
	Special Review Committee meeting attendance:	27 out of 27

**Richard Couillard – Director Nominee <sup>11</sup>**

Name of Nominee: Richard Couillard  Credentials: B.SC. (Hons.) geology and geophysics Age: 71 Residence: Calgary, Alberta, Canada  Independent	Mr. Couillard is currently President and CEO of CouilOil Energy Inc. a private corporation. Mr. Couillard has over 40 years’ experience in domestic and international oil and gas exploration, development and production activities which includes 21 years with Chevron Corporation in a variety of technical and management roles. The majority of his career has been focussed on the Western Canadian Sedimentary Basin.  Mr. Couillard’s directorships have included Canadian Spirit Resources Inc. (2003-2020), Badger Infrastructure Solutions including its predecessors 2005-2015 and Kensington Energy Inc. 2002-2005. Mr. Couillard holds a Bachelor of Science (Honours) degree in geology and geophysics and is a member of the Canadian Society of Petroleum Geologists (CSPG).	
Board memberships of other public corporations: none		
Voting results at 2021 annual meeting: N/A		
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 20,000	Board meeting attendance:	N/A

<sup>7</sup> Ms. Singh was a committee member until it ceased following a reorganisation effective May 27, 2021.

<sup>8</sup> Ms. Singh became the Chair of the Governance & ESG Committee effective May 27, 2021.

<sup>9</sup> Ms. Singh became a committee member following the reorganisation effective May 27, 2021.

<sup>10</sup> Ms. Singh became a committee member following the reorganisation effective May 27, 2021.

<sup>11</sup> Mr. Couillard is not currently a director of the Corporation. Accordingly, voting results for 2021 nor Board or committee meeting attendance results are applicable.

*Patricia McLeod Q.C. – Director Nominee* <sup>12</sup>

<p>Name of Nominee: Patricia McLeod Q.C.</p> <p>Credentials: Q.C., ICD.D, MBA</p> <p>Age: 53</p> <p>Residence: Calgary, Alberta, Canada</p> <p>Independent</p>	<p>Ms. McLeod, Q.C. is an experienced corporate board director, former senior legal professional and Privacy and Compliance Officer of multiple regulated companies.</p> <p>Ms. McLeod Q.C. has held vice president and General Counsel roles in energy utilities and electricity retail, property development, insurance and financial services companies. She has extensive corporate/commercial legal experience as well as advising on mergers and acquisitions, business development and joint ventures for large infrastructure projects.</p> <p>Ms. McLeod also serves on the boards of Alberta Innovates (Chair, Governance &amp; HR Committee; Member, Executive Committee and Business Planning and Strategy Committee), the Green Line Board (Member, Governance &amp; HR Committee and Budget &amp; Risk Committee), the Beverage Container Management Board (Chair, Governance &amp; Compensation Committee) and MINDD Inc.. Patricia is also the Board Chair of the Calgary Film Centre and a former Vice Chair of Calgary Economic Development. Ms. McLeod is a former Chair of the boards of Calgary Co-operative Association, the Real Estate Council of Alberta, the YWCA of Calgary and cSPACE Projects. She holds an MBA (Queens University) and Bachelor of Laws and a Bachelor of Commerce (University of Alberta) and an ICD.D (University of Calgary/Institute of Corporate Directors).</p>	
<p>Board memberships of other public corporations: none</p>		
<p>Voting results at 2021 annual meeting: N/A</p>		
<p>Number of Common Shares beneficially owned, controlled or directed on the Record Date: 0</p>	<p>Board meeting attendance:</p>	<p>N/A</p>

*Gail Harding – Director Nominee* <sup>13</sup>

<p>Name of Nominee: Gail Harding Q.C.</p> <p>Credentials: B.Ed., LL.B., ICD.D</p> <p>Age: 63</p> <p>Residence: Calgary, Alberta, Canada</p> <p>Independent</p>	<p>Ms. Harding was the Senior Vice President, Chief Legal Officer and Corporate Secretary for Canadian Western Bank Financial Group until her retirement in 2018. She was previously a partner at the law firm Fraser Milner Casgrain LLP, (where she specialized in capital markets and mergers and acquisitions), and Legal Counsel and Exchange Secretary at the Alberta Stock Exchange.</p> <p>Ms. Harding brings extensive board experience having served on the boards of the Alberta Electric System Operator, The Workers' Compensation Board (Alberta), AC Energy (TSX-V), Alberta Ballet and numerous subsidiaries of the CWB Financial Group. She currently serves on the boards of Meridian Credit Union (Chair, Risk Committee) and the Alberta Securities Commission. Ms. Harding was a recipient of the Canadian General Counsel Award, the Women in Law Leadership Award, and the Queen's Counsel designation from the Province of Alberta. She holds Bachelor of Education and Bachelor of Laws degrees (University of Alberta), ICD.D (Institute of Corporate Directors) and FSA (Sustainability Accounting Standards Board) designations and is a Fellow of the Canadian Institute of Bankers.</p>	
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<sup>12</sup> Ms. McLeod Q.C. is not currently a director of the Corporation. Accordingly, voting results for 2021 nor Board or committee meeting attendance results are applicable.

<sup>13</sup> Ms. Harding is not currently a director of the Corporation. Accordingly, voting results for 2021 nor Board or committee meeting attendance results are applicable.

Board memberships of other public corporations: none		
Voting results at 2021 annual meeting: N/A		
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 25,000	Board meeting attendance:	N/A

**Doug Dreisinger – Director Nominee** <sup>14</sup>

<p>Name of Nominee: Doug Dreisinger</p> <p>Credentials: B.Sc (Honours) Chemical Engineering</p> <p>Age: 61</p> <p>Residence: Calgary, Alberta, Canada</p> <p>Independent</p>	<p>Mr. Dreisinger has over 35 years’ experience in the energy and chemical industry having worked in both domestic and international markets. He is a consultant providing strategic and business development services predominantly in the energy sector.</p> <p>Mr. Dreisinger worked for Nexen (now CNOOC) for 20 years in positions ranging from Vice President Business Operations for the chemical business, to President of Global Energy Marketing and Trading. His skills and experience at Nexen include the LNG development of Aurora LNG in conjunction with their development partner, Inpex.</p> <p>Mr. Dreisinger is currently a director of Connacher Oil &amp; Gas Limited, a privately held Calgary based exploration, development and production company. He is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).</p>	
Board memberships of other public corporations: none		
Voting results at 2021 annual meeting: N/A		
Number of Common Shares beneficially owned, controlled or directed on the Record Date: 0	Board meeting attendance:	N/A

**COMPETENCIES AND SKILLS OF DIRECTORS**

The following table indicates the competencies and skills possessed by each Nominee (as determined by the Governance & Compensation Committee) in those particular categories that are most relevant to the Corporation and important to enable the Board to discharge its statutory and common law responsibilities.

<sup>14</sup> Mr. Dreisinger is not currently a director of the Corporation. Accordingly, voting results for 2021 nor Board or committee meeting attendance results are applicable.

	RANGE							
	3 = HIGH EXPERTISE			2 = MODERATE EXPERTISE			1 = MINIMAL OR NO EXPERTISE	
	ALFRED SORENSEN	CHARLES BOULANGER	ANDREW JUDSON	KIREN SINGH	RICHARD COUILLARD	PATRICIA McLEOD	GAIL HARDING	DOUG DREISINGER
STRATEGIC PLANNING	3	3	2	3	3	3	3	3
BUSINESS DEVELOPMENT	3	3	3	2	2	3	1	3
ENTERPRISE RISK MANAGEMENT	3	2	2	3	3	3	3	2
OIL & GAS OPERATIONS	2	2	2	2	3	1	1	2
RESERVES EVALUATION	2	2	2	1	3	1	1	2
HEALTH & SAFETY	3	2	2	2	3	2	2	2
AUDIT AND FINANCIAL REPORTING	3	3	2	3	2	2	3	2
CAPITAL MARKETS	3	3	3	3	2	2	3	3
ENVIRONMENTAL, SOCIAL, GOVERNANCE	3	2	2	3	2	3	3	2
HUMAN RESOURCES & COMPENSATION	3	3	2	2	2	3	2	2
LEGAL AND REGULATORY	3	2	2	1	2	3	3	2
INFORMATION TECHNOLOGY/CYBER SECURITY	2	2	1	2	2	2	2	2

TABLE 2

### CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Except as noted below, to the knowledge of the Corporation, none of the Nominees are, as at the date of this Circular, or have been, within the 10 years before the date of this Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Corporation) that: (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “Order”) that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; (c) are, as at the date of this Circular, or have been within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, to the knowledge of the Corporation, no Nominees have been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a security regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director. except as described below.

Mr. Doug Dreisinger was a director of Connacher Oil and Gas Limited (“Connacher”) from June 3, 2015 to September 30, 2019. In May 2016 Connacher announced that, due to high debt and depressed oil prices, amongst other things, it had initiated proceedings at the Court of Queen’s Bench of Alberta to seek creditor protection under the Companies’ Creditors Arrangement Act (“CCAA”). On May 16, 2016 the TSX suspended trading of Connacher’s common shares subject to an expedited review of Connacher’s ability to meet the requirements for continued listing. Effective June 20, 2016, the common shares ceased to be listed on the TSX for failure to meet continued listing requirements. Connacher obtained a stay of proceedings, among other things, under the CCAA pursuant to an Initial Order dated May 17, 2016. Under the Initial Order, Ernst & Young Inc. were appointed Monitor of Connacher during the CCAA proceedings. The stay of proceedings was extended multiple times to assist Connacher in undertaking two sale and investment solicitation processes. On September 30, 2019 Connacher announced that the Amended and Restated Plan of Compromise and Arrangement (“Plan”) dated July 16, 2019 was sanctioned by the Court of Queen’s Bench of Alberta on July 16, 2019 in the proceedings under the CCAA. The Plan became effective September 30, 2019. All existing equity interests (including outstanding common shares) were cancelled for no consideration and the first lien lenders (First Lien Credit Agreement May 23, 2014) acquired all of Connacher’s new share capital and. Connacher also ceased to be a reporting issuer. Upon the successful completion of the Plan, Mr. Dreisinger resigned from the Board. In January 2020 Mr. Dreisinger joined the “new” privately held Connacher as a director and the company is a successful and growing oilsands company.

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

### **MAJORITY VOTING POLICY**

The Corporation believes that each member of the Board should have the confidence and support of the Shareholders. To that end, the Corporation approved and adopted on February 6, 2020 a majority voting policy for directors which provides that if any nominee in an uncontested election fails to receive votes in favour of his or her election that collectively constitute a majority (50% + 1) of the votes cast, that nominee will be considered by the Board not to have received the support of the Shareholders, even though duly elected as a matter of corporate law, and will be expected to submit his or her resignation to the Board immediately upon its acceptance by the Board.

In determining the Board’s acceptance of a resignation, the Board will refer the resignation to the Nomination & Compensation Committee for determination of the possible existence of any exceptional circumstances relating to the nominee, the composition of the Board or the voting results that should delay the acceptance of the resignation or justify rejecting it. The majority voting policy does not apply if there are contested director elections. The Corporation shall promptly issue a news release regarding the election of directors and the Board’s decision on any such resignation.

### **INFORMATION CONCERNING EXECUTIVE COMPENSATION**

For the financial year ended December 31, 2021 the Corporation had five named executive officers (each an “NEO” and collectively, the “NEOs”) namely, Alfred Sorensen (CEO), Adam Gray (CFO), Darcy Reding (Chief Operating Officer), Yvonne McLeod (Vice President, Drilling & Completions, Health, Safety, Environment & Regulatory) and Thom Dawson (Senior Vice President, Business Development). Each NEO is an employee of the Corporation.



## COMPENSATION DISCUSSION AND ANALYSIS

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

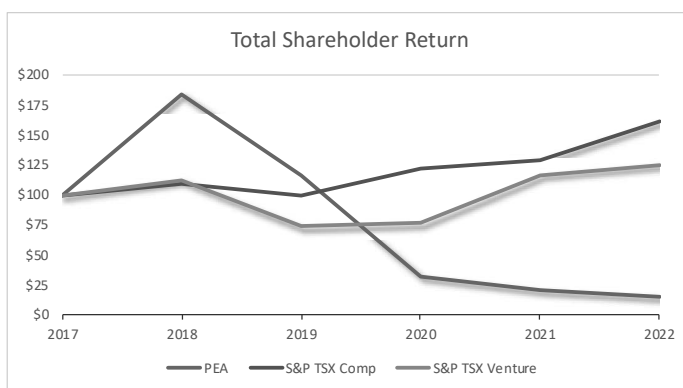
The objectives of the Corporation’s NEO compensation program are to: (a) attract, motivate and retain highly qualified and dedicated individuals; (b) align the interests of the NEOs with those of the Corporation’s shareholders; (c) establish an objective connection between NEO compensation and the Corporation’s financial and business performance; and (d) incentivize the NEOs to lead the Corporation in achieving its corporate objectives and fulfilling its corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value.

The Corporation maintains an incentive program which financially rewards NEOs to the degree that the Corporation achieves its pre-established annual goals. In addition, the Corporation recognizes the importance of ensuring that overall compensation for NEOs is not only internally equitable, but also competitive within the market segment. Specifically, the Nomination & Compensation Committee’s review and evaluation of corporate compensation will include measurement of, among others, the following areas: (a) the achievement of corporate objectives, such as financings, partnerships, and other business development, in particular having regard to budgetary constraints and other challenges facing the Corporation; (b) the Corporation’s financial condition; and (c) the Corporation’s share price and market capitalization.

Compensation policies, practices and amounts are continuously reviewed and compared to “best practice” standards as undertaken by peer public companies. Compensation amounts and structures are compared to available relevant industry data provided by independent sources. Additionally, compensation amounts reflect prevailing market conditions and the performance of the corporation, and the individual as evaluated by the Corporate Goals and metrics which are aligned with the strategic priorities of the Corporation as determined annually by the Board.

The Corporation’s compensation program for employees (including NEOs) consists of two principal components: (a) compensation (other than paid under an “incentive plan” as defined by Form 51-102F6) consisting of base compensation; and (b) compensation awarded under an incentive plan consisting of the discretionary bonus program and the stock option plans. Each component has a different function, as described in greater detail below, but all elements operate in unison to reward the NEOs appropriately for personal and corporate performance.

The following line graph depicts the cumulative total shareholder return of the Corporation (PEA) over the five most recently completed financial years.<sup>15</sup>



The trend shown by this graph is not reflective of the trend in compensation reported under this Circular which the executive officers received from the Corporation over the same five-year period. As described below, the compensation received by executive officers is composed of base compensation, which has remained substantially constant over the time period, and possibly incentive awards which are received by executive officers periodically, if at all, upon the achievement of certain of the pre-determined objectives.

<sup>15</sup>This line graph is based on the assumption that \$100 was invested on the first day of the five-year period.

However, the achievement of those objectives does not necessarily impact the trading value of the Common Shares of the Corporation in the long-term.

#### *Base Compensation*

The Corporation enters into a written contract of service with each of its employees (including each NEO) which requires the Corporation to pay base compensation (including overtime pay when statutorily mandated) as well as other monetary perquisites (collectively, “**base compensation**”) to its employees in consideration for the performance of their respective duties of employment.

The payment of base compensation to employees, in amounts which are comparable to the amounts paid to similar positions in the natural resource industry, is essential to the Corporation’s ability to attract and retain outstanding employees (including each NEO). Base compensation, and changes in base compensation, are established by the Corporation taking into account each employee’s expertise and experience as well as their level of responsibility and competitive pay practices. Base compensation is reviewed periodically, and adjusted as appropriate, by the Corporation to reflect performance and market conditions.

Any increase in the base compensation of the CEO must be approved by the Board taking into consideration the recommendation of the Nomination & Compensation Committee. The CEO is responsible for determining and approving any increase in the base compensation of other employees (including other NEOs).

#### *Group Retirement Savings Plan*

The Corporation’s group retirement savings plan implemented in late 2019 is a non-equity, non-incentive plan that is available to all permanent employees (including the NEOs). This plan is sponsored by the Corporation and is administered by The Manufacturers Life Insurance Company.

The plan’s primary purpose is to provide a flexible and multi-faceted retirement savings vehicle to employees to assist them in saving for their retirement. This plan offers each participating employee the ability to make personal contributions to the plan (up to certain prescribed limits) which the employee may designate toward (a) a registered retirement savings plan (or spousal registered retirement savings plan), (b) a tax-free savings account and (c) a nonregistered savings plan. In order to further assist employees, the Corporation has agreed to contribute to the registered retirement savings plan of each participating employee an amount equal to 6% of the employee’s base compensation and an additional amount equal to the lesser of the contribution made by the participating employee to the group retirement savings plan and 4% of the employee’s base compensation.

#### *Discretionary Bonus Program*

The Corporation’s discretionary bonus program is a non-equity incentive plan that is available to all permanent employees (including the NEOs). Participation in the program is a component of overall compensation that incentivizes employees to meet short-term, pre-determined objectives which are intended to improve the overall value of the Corporation. The discretionary bonus program also serves to assist the Corporation in rewarding and retaining valued employees and are understood to be common in the marketplace.

Under the discretionary bonus program, each employee (including each NEO) is eligible for an annual cash bonus which is quantified on a rational basis and informed by the employee’s level of responsibility, base compensation, personal performance measured against pre-set objectives while also taking into account the overall performance of the Corporation. The amount of the proposed annual bonus award to the CEO and the aggregate amount of the proposed annual bonus award to all other employees is approved by the Board taking into consideration the

recommendation of the Nomination & Compensation Committee. If warranted for performance or other reasons, special cash bonuses may also be considered from time to time.

### *The Stock Option Plans*

The Corporation sponsors two distinct stock option plans (the Stock Option Plan Number One and the Stock Option Plan Number Two).

The Stock Option Plan Number One and the Stock Option Plan Number Two (collectively, the “**Stock Option Plans**”) were established and designed to allow the Corporation, through Common Shares, to retain and motivate competent directors, senior executives and other employees and “consultants” to whom the Board may grant stock options pursuant to the Stock Option Plans from time to time further to their efforts in attaining the goals of the Corporation and to allow such individuals to purchase Common Shares as an investment, and to encourage them to act in this manner.

### **BACKGROUND**

The Stock Option Plan Number One was approved and adopted by the Board as of October 24, 2017, and was amended and restated by the Board as of November 23, 2017, and again as of March 19, 2020 and approved at the annual and special meeting of Shareholders held on June 27, 2018, May 26, 2020, and on May 27, 2021 respectively.

As Stock Option Plan Number One was not presented to the Shareholders for consideration and approval at the annual and special meeting of Shareholders held on June 18, 2019, as was required by the policy of the TSX Venture Exchange at that time. Therefore, as an interim measure, the Board approved and adopted a second stock option plan (the “**Stock Option Plan Number Two**”), as permitted under Section 3.9 of Policy 4.4 of the TSX Venture Exchange, on June 18, 2019, to facilitate the granting of stock options until the Stock Option Plan Number One was able to be put forward for approval by the Shareholders at the next meeting of Shareholders held on May 26, 2020. Stock Option Plan Number Two is a fixed number stock option plan under which the Corporation is authorized to grant stock options up to a maximum of 8,412,199 Common Shares being the difference between 10% of the total number of Common Shares that were issued and outstanding as at June 18, 2019 and the number of Common Shares that underlie all unexercised and unexpired stock options that were previously granted by the Corporation under the Stock Option Plan Number One. Stock Option Plan Number Two governs only those stock options that were granted thereunder in 2019 and it is intended that Stock Option Plan Number Two will be terminated by the Corporation when the last of those stock options is exercised, expires or is otherwise terminated.

As discussed in greater detail on page 23 of this Circular, the Stock Option Plan has again been amended and restated by the Board on May 19, 2021, which will be considered at the annual and special meeting of Shareholders scheduled for May 26, 2022.

### **THE PARTICULARS OF THE STOCK OPTION PLANS**

As at December 31, 2021, and as at the Record Date, there were 157,645,871 and 157,681,871 Common Shares issued and outstanding respectively.

Each Eligible Person (as defined below) is eligible for an annual stock option grant that may be approved from time to time by the Board on the recommendation of the Nomination & Compensation Committee. The number of stock options granted to Eligible Persons is informed by prevailing competitive and market conditions and is based on the level of their respective responsibility as well as their respective personal performance, and the performance of the Corporation, relative to pre-determined objectives. Stock option grants may also be considered and approved by the Board, if warranted, for specific performance or for other reasons in special circumstances. For example, directors

or employees may be granted stock options upon the commencement of their engagement or employment with the Corporation. When determining whether and how many new stock option grants will be approved, the Board considers all relevant factors.

The Stock Option Plan Number One is the operative plan for all stock option grants that are awarded after May 26, 2020. That Stock Option Plan Number One is a “rolling” stock option plan under which stock options may be granted up to a maximum of 10% of the Common Shares issued and outstanding at the time of the grant. The number of Common Shares that may be reserved under the Stock Option Plan Number One automatically increases or decreases as the number of issued and outstanding Common Shares increases or decreases.

The Stock Option Plan Number Two was established by the Board as an interim measure as discussed above and the Corporation does not intend to grant any stock options under that plan in the future.

	STOCK OPTION PLAN NUMBER ONE	STOCK OPTION PLAN NUMBER TWO
<b>Aggregate number of Common Shares that underlie the stock options awarded under each of the Stock Option Plans as at December 31, 2021.</b>	4,567,690 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as at December 31, 2021.  These Common Shares represent 2.9% of the aggregate number of Common Shares that are issued and outstanding as at December 31, 2021.	2,472,775 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as at December 31, 2021.  These Common Shares represent 1.6% of the aggregate number of Common Shares that are issued and outstanding as at December 31, 2021.
<b>Aggregate number of Common Shares under each of the Stock Option Plans that are available for grant as stock options as at December 31, 2021.</b>	8,724,122 Common Shares under the Plan that are available for grant as stock options.  These Common Shares represent 5.5% of the aggregate number of Common Shares that are issued and outstanding as at December 31, 2021.	The Corporation does not intend in the future to grant any stock options under Stock Option Plan Number Two.  Accordingly, as at 31 December, 2021 there are no Common Shares under Stock Option Plan Number Two that are available for grant as stock options.
<b>Aggregate number of Common Shares that underlie the stock options awarded under each of the Stock Option Plans as at the Record Date.</b>	4,429,690 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as of the Record Date.  These Common Shares represent 2.8% of the aggregate number of Common Shares that are issued and outstanding as of the Record Date.	2,468,950 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as of the Record Date.  These Common Shares represent 1.6% of the aggregate number of Common Shares that are issued and outstanding as of the Record Date.

	STOCK OPTION PLAN NUMBER ONE	STOCK OPTION PLAN NUMBER TWO
<b>Aggregate number of Common Shares under each of the Stock Option Plans that are available for grant as stock options as at the Record Date.</b>	<p>As at the Record Date there are 8,869,547 Common Shares under the Plan that are available for grant as stock options.</p> <p>These Common Shares represent 5.6% of the aggregate number of Common Shares that are issued and outstanding as of the Record Date.</p>	<p>The Corporation does not intend in the future to grant any stock options under Stock Option Plan Number Two. Therefore, all stock options granted in the future will be granted under Stock Option Plan Number One, as amended.</p> <p>Accordingly, as at the Record Date there are no Common Shares under Stock Option Plan Number Two that are available for grant as stock options.</p>

Stock Option Plan Number Two has not been used since 2019 and will not be used by the Corporation thereafter to issue options. As such, its salient terms are not summarised in this Circular. The following table summarizes the salient terms of Stock Option Plan Number One including the provisions prior to the amendments proposed to be accepted by Shareholders herein.

	STOCK OPTION PLAN NUMBER ONE (INCLUDING PROPOSED AMENDMENTS)	CURRENT PROVISIONS
<b>Number of Shares</b>	The options to be granted must not be exercisable for more than 10% of the Common Shares issued and outstanding at the time the options are granted, provided that if the options expire or are terminated for any reason before they vest and are exercised, the number of Common Shares underlying such expired or terminated options may again be available under the Plan.	same
<b>Exercise Price</b>	The Board of Directors shall establish the exercise price, which will not be less than the closing price of the shares on the Exchange on the trading day immediately preceding the date of grant.	same
<b>Participation Limits</b>	<p>(a) The maximum number of Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(b) The maximum number of Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(c) The number of shares that are issuable to eligible persons who are non-employee directors under this Plan and any other Security Based Compensation</p>	<p>(a) The maximum number of Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(b) The maximum number of Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of</p>

	STOCK OPTION PLAN NUMBER ONE (INCLUDING PROPOSED AMENDMENTS)	CURRENT PROVISIONS
	Arrangement of the Corporation shall not at any time exceed \$150,000 worth of Shares annually per non-employee director, of which no more than \$100,000 may be in the form of Options.	the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).
<b>Term of Options</b>	Subject to other terms within the Plan, the expiry date of an option is the date established by the Board of Directors at the time of the granting of the particular option, provided that such date does not extend beyond the fifth anniversary of the date of grant of the option.	same
<b>Expiry of options</b>	Subject to other terms within the Plan, options will expire on the following events: <ul style="list-style-type: none"> <li>(a) The expiry date of the option;</li> <li>(b) 90 days following death of the option holder;</li> <li>(c) 90 days following cessation of employment for all options issued on or after October 24, 2017;</li> <li>(d) At the discretion of the board of directors and subject to the approval of the Toronto Stock Exchange and with prior notice to the option holder;</li> <li>(e) On the first day the optionee ceased employment if the option holder was terminated for cause;</li> </ul>	same
<b>Assignment</b>	Subject to other terms within the Plan, options cannot be assigned or transferred.	same
<b>Change of Control</b>	<p>The successor corporation may either (i) assume the Corporation's rights and obligations under outstanding options, or (ii) substitute for outstanding options substantially equivalent options in the successor corporation in a manner that substantially preserves and does not impair the rights of the optionee in any material respect.</p> <p>In the event that an assumption or substitution of options is not made by the successor corporation prior to or in connection with a Change of Control, all options held by an optionee as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.</p> <p>If the employment of an optionee is terminated during the one (1) year period after a Change of Control for any reason other than for cause, or the optionee resigns as a result of constructive dismissal, then any unvested options held by the optionee as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all options that are vested or deemed to be vested may be exercised by the optionee within 30 days from the termination date.</p>	same

	STOCK OPTION PLAN NUMBER ONE (INCLUDING PROPOSED AMENDMENTS)	CURRENT PROVISIONS
<b>Retroactive Amendments</b>	The Board of Directors may, subject to the approval of the Exchange and subject to other terms within the Plan, retroactively amend the Plan and, with the consent of the affected optionees, retroactively amend the terms and conditions of the options that have been granted until then.	same
<b>Amendments not requiring shareholder approval</b>	<p>The Board of Directors may, without the approval of the shareholders (other than any required regulatory or Exchange approvals) but subject to other terms within the Plan, suspend, discontinue or amend this Plan or any option. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:</p> <ul style="list-style-type: none"> <li>a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;</li> <li>b) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;</li> <li>c) amendments respecting the administration of the Plan;</li> <li>d) changing the vesting provisions of the Plan or any option certificate;</li> <li>e) changing the termination provisions of any Option that does not entail an extension beyond the original expiry date; and</li> <li>f) any other amendment that does not require the approval of Shareholders.</li> </ul>	same
<b>Amendments requiring shareholder approval</b>	<p>Subject to other terms within the Plan, specific shareholder approval is required for:</p> <ul style="list-style-type: none"> <li>a) any change to the maximum number of shares issuable under the Plan, including an increase to the fixed maximum percentage or a change from a fixed maximum percentage to a fixed maximum number of shares;</li> <li>b) any amendment which reduces the exercise price of any option after the options have been granted or any cancellation of an option and the substitution of that option by a new option with a reduced price;</li> <li>c) any amendment which extends the option term beyond the original expiry date;</li> </ul>	<p>Subject to other terms within the Plan, specific shareholder approval is required for:</p> <ul style="list-style-type: none"> <li>(a) a reduction in the exercise price under the Plan benefiting an Insider of the Corporation;</li> <li>(b) an extension of the original Expiry Date under the Plan benefiting an Insider of the Corporation;</li> <li>(c) any amendment to remove or to exceed the Insider Participation Limits;</li> <li>(d) an increase to the maximum number of Shares issuable under the Plan;</li> </ul>

	STOCK OPTION PLAN NUMBER ONE (INCLUDING PROPOSED AMENDMENTS)	CURRENT PROVISIONS
	d) any amendment to remove or to exceed the participation limits; e) any amendment which would allow non-employee directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-employee director participation; f) any amendment which would permit any option granted under the Plan to be transferable or assignable by any Eligible Person other than as already permitted under the Plan; g) any amendment to the amendment provision (section 5.2) or the amendments requiring shareholder approval provision (section 5.3).	(e) any amendment to Sections 5.2 or 5.3 hereof.

TABLE 3

*The Stock Options that are Outstanding at the Record Date*

Table 4, below, summarizes the Stock Options that are issued and outstanding under the Stock Option Plans as at the Record Date.

GROUP	DATE OF GRANT	AGGREGATE NUMBER OF SHARES ISSUABLE	EXERCISE PRICE (\$)	EXPIRY DATE
<b>The Stock Option Plan Number One:</b>				
Officers and Employees	January 29, 2018	388,500	5.67	January 28, 2023
Directors	January 29, 2018	300,000	5.67	January 28, 2023
Directors	June 27, 2018	125,000	5.67	June 27, 2023
Officers and Employees	October 8, 2020	1,168,600	0.86	October 8, 2025
Directors	November 17, 2020	390,000	0.86	November 17, 2025
Officers and Employees	November 17, 2020	100,000	0.86	November 17, 2025
Directors	August 19, 2021	263,590	0.30	August 19, 2026
Officers and Employees	August 19, 2021	1,694,000	0.30	August 19, 2026
<b>Total</b>		<b>4,429,690</b>		
<b>The Stock Option Plan Number Two:</b>				
Directors	July 3, 2019	525,000	0.89	July 3, 2024
Officers and Employees	July 3, 2019	1,368,950	0.89	July 3, 2024
Officers and Employees	October 21, 2019	575,000	0.92	October 21, 2024
<b>Total</b>		<b>2,468,950</b>		

TABLE 4

The 4,429,690 Common Shares underlying the then issued and outstanding Stock Options of the Corporation granted under Stock Option Plan Number One had a weighted average exercise price of approximately \$1.50 per Common Share and the 2,468,950 Common Shares underlying the then issued and outstanding Stock Options of the



Corporation granted under Stock Option Plan Number Two had a weighted average exercise price of approximately \$0.90 per Common Share. The Corporation is permitted under the Stock Option Plans to grant stock options, in aggregate, up to a maximum of 10% of the then total number of issued and outstanding Common Shares.

### *The Annual Burn Rate*

EQUITY COMPENSATION ARRANGEMENT	2019	2020	2021
<b>The Stock Option Plan Number One:</b>			
Stock Options issued <sup>(1)</sup>	0	2,200,100	1,993,590
Weighted Average Common Shares Outstanding	95,306,838	157,638,343	157,642,287
Annual Burn Rate	0	1.4%	1.3%
<b>The Stock Option Plan Number Two:</b>			
Stock Options issued <sup>(1)</sup>	4,264,341	0	0
Weighted Average Common Shares Outstanding	95,306,838	157,638,343	157,642,287
Annual Burn Rate	4.5%	0	0
<b>Director Compensation Policy</b>			
Common Shares Issued	146,544	80,697	0
Weighted Average Common Shares Outstanding	95,306,838	157,638,343	157,642,287
Annual Burn Rate	0.2%	0.1%	0

**TABLE 5**

<sup>(1)</sup> Each to acquire one Common Share

The Corporation did not issue any Common Shares at any time during the twelve months prior to the Record Date, other than 40,000 issued to employees on exercise of stock options.

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

The Board and its Governance & ESG Committee and Nomination & Compensation Committee have considered the implications of the risks associated with the Corporations' compensation policies or practices and has concluded that the programs do not encourage excessive or inappropriate risk-taking and are aligned with the long-term interests of shareholders. In particular, it is noted that compensation awards are granted under the discretionary bonus program and under the Stock Option Plans primarily on the basis of the degree to which pre-established individual and corporate objectives are achieved. In each case the Corporation has concluded, at the time that each such objective is established, that its concomitant risk profile is acceptable to the Corporation and the objective, if achieved, aligns with the long-term interests of its shareholders. Additional alignment between the interests of directors and senior employees on the one hand with the interests of shareholders on the other hand, is achieved through the Share Ownership Policy which prohibits each director and relevant senior employee from entering into any agreement, and from effecting any hedge or other transaction, which has as one of its purposes, or has as one of its consequences or possible consequences, the amelioration, in whole or in part, of the economic impact of a decrease, or possible decrease, in the market value of the Common Shares which are held by such director or senior employee.

Each member of the Governance & ESG Committee and Nomination & Compensation Committee has been in a senior leadership position in various organizations, and in those capacities obtained direct experience relevant to executive compensation and has the skills and experience that enable the Governance & ESG Committee and Nomination &

Compensation Committee to make recommendations to the Board on the suitability of the Corporation’s compensation policies and practice giving due regard to the related risk factors.

An electronic copy of the mandate of the Board and each of the committees, including the Governance & ESG Committee, can be obtained from the Corporation’s website ([www.pieridaenergy.com](http://www.pieridaenergy.com)).

Compensation policies are continuously reviewed and updated to “best practice” standards as undertaken by peer public companies and applicable regulatory changes. In addition, the business conduct of NEOs and individual employees are evaluated against the Corporation’s prevailing policies including (a) the Code of Ethical Conduct, (b) the Anti-Corruption Policy, (c) the Disclosure Policy and the Trading Restrictions and Blackout Period Policy, (d) the Hedging Policy, (e) the Policy Establishing Financial Authority, (f) the Credit Policy and the Investment Policy and (g) the Policy for the Prevention of Harassment, each of which further protect the Corporation from the adverse consequences of inappropriate conduct and excessive risk-taking.

Further, on March 23, 2022, the Board approved the addition of a “Clawback Policy”. This policy requires all members of senior management<sup>16</sup>, whether current or former, to immediately repay or forfeit, that portion of bonuses or equity based compensation paid, granted or vested by them if the Corporation is required to prepare a restatement of any or all its financial statements due to either (i) material non-compliance with any financial reporting requirements under applicable securities laws, or (ii) gross negligence or fraud of such member of senior management as either admitted to or as proven in a court of competent jurisdiction.

Compensation plans and awards are compared to available relevant industry data provided by independent sources. Additionally, compensation amounts reflect prevailing market conditions and the performance of the Corporation and the individual as evaluated by the Corporate Goals and metrics which are aligned with the strategic priorities of the corporation as set out annually by the Board of Directors.

### SUMMARY COMPENSATION TABLE

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

NAME AND PRINCIPAL POSITION	YEAR	SALARY	SHARE BASED AWARDS	OPTION BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION (BONUS)	ALL OTHER COMPENSATION	TOTAL COMPENSATION
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Alfred Sorensen, CEO <sup>(a)</sup>	2021	300,000	nil	23,148 <sup>(d)</sup>	99,000	15,000	437,148
	2020	278,307	nil	34,146 <sup>(e)</sup>	155,315	15,576	483,344
	2019	300,000	nil	77,885 <sup>(f)</sup> 52,200 <sup>(g)</sup>	129,065	41,380	600,530
Adam Gray, CFO <sup>(b)</sup>	2021	238,500	nil	25,197 <sup>(d)</sup>	77,006	7,115	347,818
	2020	185,000	nil	22,100 <sup>(e)</sup>	nil	5,000	212,100
	2019	n/a	n/a	n/a	n/a	n/a	n/a
	2021	265,000	nil	26,212 <sup>(d)</sup>	64,171	7,692	363,075

<sup>16</sup> Senior Management is defined as collectively the CEO, the CFO, the COO and each senior vice-president.

NAME AND PRINCIPAL POSITION	YEAR	SALARY	SHARE BASED AWARDS	OPTION BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION (BONUS)	ALL OTHER COMPENSATION	TOTAL COMPENSATION
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Darcy Reding, COO (c)	2020	n/a	n/a	n/a	n/a	n/a	n/a
	2019	n/a	n/a	n/a	n/a	n/a	n/a
Yvonne McLeod, Vice-President, HSER Drilling & Completions	2021	250,000	nil	7,175 <sup>(d)</sup>	32,287	10,000 <sup>(i)</sup>	299,462
	2020	249,519	nil	15,483 <sup>(e)</sup>	116,724	221,584 <sup>(i)</sup>	603,310
	2019	260,000	nil	64,904 <sup>(f)</sup> 32,625 <sup>(g)</sup>	500	62,800 <sup>(i)</sup>	420,829
Thomas Dawson, Senior Vice- President, Business Development	2021	250,000	nil	6,277 <sup>(d)</sup>	80,719	10,000	346,996
	2020	249,519	nil	15,470 <sup>(e)</sup>	80,266	10,385	355,640
	2019	250,000	nil	64,890 <sup>(f)</sup> 32,639 <sup>(g)</sup>	80,266	36,330	464,125

TABLE 6

**Notes:**

- (a) Mr. Sorensen has not received any compensation for his role as a director of the Corporation.
- (b) Mr. Gray was appointed CFO effective March 28, 2022. Prior to this Mr. Gray was Interim CFO from August 1, 2021. Prior thereto Mr. Gray was Vice-President & Controller from November 1, 2020, until July 31, 2021, and joined the Corporation as Controller on January 13, 2020.
- (c) Mr. Reding became COO when he joined the Corporation on April 5, 2021.
- (d) To align with market practice, the estimated fair value of these options granted on August 19, 2021, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 89%, risk-free interest rate of 0.60% and an expected life of 3.3 years.
- (e) To align with market practice, the estimated fair value of these options granted on October 8, 2020, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 86%, risk-free interest rate of 0.37% and an expected life of 5.0 years.
- (f) To align with market practice, the estimated fair value of these options granted on April 24, 2019, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 66%, risk-free interest rate of 1.44% and an expected life of 4.6 years.
- (g) To align with market practice, the estimated fair value of these options granted on October 21, 2019, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 67%, risk-free interest rate of 1.58% and an expected life of 3.3 years.

## INCENTIVE PLAN AWARDS

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

The following table sets forth information in respect of all awards outstanding as at December 31, 2021 granted to the NEOs:

NAME	OPTION-BASED AWARDS			
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS <sup>(a)</sup>
Alfred Sorensen	195,000	\$5.67	January 29, 2023	nil
	163,934	\$0.89	July 3, 2024	nil
	120,000	\$0.92	October 21, 2024	nil
	100,000	\$0.86	November 17, 2025	nil
	143,500	\$0.30	August 19, 2026	\$1,435
Adam Gray	50,000	\$0.86	October 8, 2025	nil
	141,000	\$0.30	August 19, 2026	\$1,410
Darcy Reding	146,000	\$0.30	August 19, 2026	\$1,460
Yvonne McLeod	136,612	\$0.89	July 3, 2024	nil
	75,000	\$0.92	October 21, 2024	nil
	35,000	\$0.86	October 8, 2025	nil
	40,000	\$0.30	August 19, 2026	\$400
Thomas Dawson	150,000	\$5.67	January 28, 2023	nil
	136,612	\$0.89	July 3, 2024	nil
	75,000	\$0.92	October 21, 2024	nil
	35,000	\$0.86	October 8, 2025	nil
	35,000	\$0.30	August 19, 2026	\$350

TABLE 7

**Notes:**

- (a) The value is calculated based on the difference between the market value of the underlying shares at December 31, 2021 and the exercise price of the option. The closing trading value on the Toronto Stock Exchange of a Common Share on December 31, 2021 was \$0.31.

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

The following table provides the value vested in relation to awards held by each NEO during the financial year ended December 31, 2021:

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR <sup>(a)</sup>	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR
	(\$)	(\$)
Alfred Sorensen	nil	99,000
Adam Gray	nil	77,006
Darcy Reding	nil	64,171
Yvonne McLeod	nil	32,287
Thomas Dawson	nil	80,719

TABLE 8

**Notes:**

- (a) Because the exercise price was above the market price at the time of granting and vesting, the value vested during the year is nil.

## SHARE OWNERSHIP POLICY

The Board believes that, in order to achieve better alignment of the interests of the directors and the senior employees of the Corporation with those of the Corporation's shareholders, its directors and each senior employee of the Corporation should maintain a minimum value of Common Share ownership. To that end, the Corporation has adopted a mandatory share ownership policy (the "**Share Ownership Policy**") that requires each non-executive director (other than any such director who is nominated to the Board pursuant to a contractual obligation of the Corporation) and each senior employee of the Corporation, no later than the date that is three years after the later of (a) October 24, 2017 and (b) the day that the individual first became a director or a senior employee of the Corporation (the "**Application Date**"), to directly or indirectly acquire, and to hold throughout the period commencing on the Application Date and continuing while they remain a director or senior employee of the Corporation, Common Shares which in aggregate have a market value that: (i) is at least three times the annualized cash compensation that is paid or payable to such director or three times the annual base salary that is paid or payable to the Chief Executive Officer, as the case may be, and (ii) is at least two times the annual base salary that is paid or payable to each other senior employee of the Corporation.

Directors and senior employees of the Corporation have confirmed their respective Common Share ownership position, which is reported in the table below for each such director and senior employee, and each has also confirmed that such position is their beneficial and legal ownership position.

Each director and senior employee to whom the Share Ownership Policy applies is prohibited by the Share Ownership Policy from entering into any agreement, and from effecting any hedge or other transaction, which has as one of its purposes, or has as one of its consequences or possible consequences, the amelioration, in whole or in part, of the economic impact of a decrease, or possible decrease, in the market value of the Common Shares which are held by such director or senior employee determined in accordance with this policy.

As the number of Common Shares that are beneficially owned, or controlled or directed, either directly or indirectly, by each non-executive director, and by each senior employee, is not within the knowledge of the Corporation, the information in the following table has been provided to the Corporation as at the Record Date by each such director or senior employee personally and individually.

NAME OF EACH DIRECTOR AND SENIOR EMPLOYEE	POSITION HELD	COMMENCEMENT DATE	APPLICATION DATE <sup>(a)</sup>	NUMBER OF COMMON SHARES HELD ON THE RECORD DATE	DEEMED VALUE OF COMMON SHARES HELD ON THE RECORD DATE <sup>(b)</sup>
MYRON TÉTREULT	Director (Chair of the Board)	October 24, 2017	October 24, 2020	683,284	\$587,624
CHARLES BOULANGER	Director	October 24, 2017	October 24, 2020	352,795	\$303,404
KJELL PEDERSEN	Director	June 27, 2018	June 27, 2021	128,329	\$110,363
ANDREW JUDSON	Director	October 24, 2017	October 24, 2020	332,697	\$286,119
CHARLE GAMBA	Director	June 18, 2019	June 18, 2022	26,344	\$22,656
KIREN SINGH	Director	May 26, 2020	May 26, 2023	232,800	\$200,208

NAME OF EACH DIRECTOR AND SENIOR EMPLOYEE	POSITION HELD	COMMENCEMENT DATE	APPLICATION DATE <sup>(a)</sup>	NUMBER OF COMMON SHARES HELD ON THE RECORD DATE	DEEMED VALUE OF COMMON SHARES HELD ON THE RECORD DATE <sup>(b)</sup>
ALFRED SORENSEN	Director and Chief Executive Officer	October 24, 2017	October 24, 2020	12,299,053	\$10,577,186
ADAM GRAY	Chief Financial Officer	August 1, 2021	August 1, 2024	150,000	\$129,000
DARCY REDING	Chief Operating Officer	April 5, 2021	April 5, 2024	0	\$0
THOMAS DAWSON	Senior Vice President Business Development	October 24, 2017	October 24, 2020	2,606,415	\$2,241,517

TABLE 9

**Notes:**

- (a) "Application Date" in respect of an individual is the date that is three years after the later of (i) October 24, 2017 and (ii) the date that the individual first became a director or senior employee of the Corporation.
- (b) The value of each Common Share held on the Record Date is deemed under the Share Ownership Policy to be the greater of (i) \$0.79, being the quotient obtained when the aggregate of the price of each Share which was traded on a stock exchange during the twenty five consecutive calendar days immediately preceding the Record Date is divided by the aggregate number of Shares which were traded on a stock exchange during the twenty five consecutive calendar days immediately preceding the Record Date and (ii) \$0.86, being the quotient obtained when the aggregate proceeds that were received by the Company on the issuance of Shares in the course of the most recent private placement is divided by the aggregate number of Shares which were issued in the course of that private placement.

Based on the above table, with the exception of Mr. Pedersen and Mr. Judson<sup>17</sup>, each of the remaining directors and all senior employees whose corresponding Application Date precedes the Record Date, is in compliance with the Share Ownership Policy. Consistent with the Share Ownership Policy, the above information does not include Common Shares that are issuable upon the exercise of options, warrants or other convertible securities of the Corporation.

#### TERMINATION AND CHANGE OF CONTROL BENEFITS

As at December 31, 2021 the Corporation was a party to an employment agreement (each a "Contract of Service") with each NEO.

Each Contract of Service stipulates that the Corporation may terminate the Contract of Service without prior notice irrespective of whether the termination is for "just cause" or is "without just cause" by providing to the particular NEO either: (a) the minimum period of prior notice of termination that the Corporation is required to provide to the NEO pursuant to the employment standards legislation applicable in the province in which the NEO is employed or (b) a payment in lieu of notice in an amount that is equal to the amount of wages that would have been earned by the NEO during such minimum period of prior notice, computed in accordance with the employment standards legislation applicable in the province in which the NEO was employed.

Notwithstanding the foregoing, each Contract of Service also stipulates that if the Corporation terminates the employment of the particular NEO within one hundred (100) days before, or at any time after, the day that a person or entity (or a group of persons or group of entities acting jointly or in concert) becomes the owner of, or is able to exercise control or direction over, more than 50% of the Common Shares of the Corporation, the minimum period of prior notice determined above shall be deemed to be the lesser of (a) twenty four months and (b) the aggregate

<sup>17</sup> Pursuant to the terms of the Share Ownership Policy, Mr. Pedersen and Mr Judson have until June 10, 2022 to comply.

of six months and one additional month for each calendar year throughout which the NEO was employed by the Corporation, by Pieridae Alberta Production Ltd. to the extent that such employment transpired after December 20, 2018 or by any other corporation affiliated with the Corporation.

Each Contract of Service includes, among other things, a covenant of confidentiality, non-solicitation and non-competition. If at any time the Contract of Service is terminated by the Corporation, or the employee resigns, the employee will continue to be subject to the covenant of confidentiality indefinitely and to be subject to the covenants of non-solicitation and non-competition for twelve months thereafter.

NAME	PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT WITH NO CHANGE OF CONTROL	ADDITIONAL PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT AFTER A CHANGE OF CONTROL	TOTAL PAYMENT
Alfred Sorensen	\$34,615	\$375,000	\$409,615
Adam Gray	\$4,587	\$159,000	\$163,587
Darcy Reding	\$5,096	\$139,125	\$144,221
Yvonne McLeod	\$24,038	\$187,500	\$211,538
Thom Dawson	\$19,231	\$208,333	\$227,564

TABLE 10

## INFORMATION CONCERNING DIRECTOR COMPENSATION

- The Corporation has structured director compensation with the following goals in mind: the imperative of attracting and retaining knowledgeable and experienced individuals who have integrity and who possess the specific skills commensurate with the Corporation’s requirements and objectives;
- external market competitiveness for talent and to the principles of equity and fairness while recognizing the Corporation’s objectives of fiscal prudence and good governance;
- the need to align the Corporation’s long-term success with the basis of compensation;
- the importance of recognizing the additional responsibilities undertaken by the Chair of the Board and the Chair of each committee; and
- the application of the Share Ownership Policy of the Corporation on directors (excluding those directors who have otherwise waived all compensation).

The following table discloses the annual fee that is payable by the Corporation, pursuant to its directors’ compensation policy (the “**Directors’ Compensation Policy**”), to each non-executive director of the Corporation in consideration for the services that each performed during 2021 as directors of the Corporation.

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

TABLE 11

The Directors' Compensation Policy requires that annual retainer shall be paid in cash (the "Payment in Cash") at or about the end of the first pay period following the end of each quarter. Such Payment in Cash shall be prorated on the basis of time served as a director during the calendar year.

On July 15, 2021, the Board approved the establishment of and a mandate for a special review committee ("Special Review Committee"). Its role was to steward a fully-marketed process with advice from a qualified financial advisor to pursue and evaluate all possible strategic options for the Corporation to maximise shareholder value. The Special Review Committee concluded that the various alternatives presented were not compelling relative to the Corporation's stand-alone prospects and that the restructuring of the Corporation's credit agreement played a significant role in reaching those conclusions. On January 11, 2022, the Special Review Committee was disbanded.

The Special Review Committee comprised of Andrew Judson, who served as the Chair, Charle Gamba and Kiren Singh (each of whom were considered to be an independent member). As the Corporation had no precedent for the establishment of nor compensation payable for one-off committees, the Board considered similar transactions and determined fair compensation for each Committee member would be \$5,000 per month with the Chair to be compensated \$7,500 per month.

For the year ended December 31, 2021, the directors of the Corporation earned an aggregate total of \$705,968 in director's fees (exclusive of option-based awards). The directors are reimbursed for all reasonable expenses incurred in the execution of their functions as directors of the Corporation. The aggregate total of such expenses was \$114.30.

#### DIRECTOR COMPENSATION TABLE

The following table sets forth information with respect to all compensation elements paid to the non-executive directors of the Corporation during the year ended December 31, 2021.

NAME	FEES EARNED <sup>(a)</sup>	OPTION-BASED AWARDS <sup>(b)</sup>	NON-EQUITY INCENTIVE PLAN COMPENSATION	ALL OTHER COMPENSATION <sup>(d)</sup>	TOTAL COMPENSATION
Myron Tétreault	135,000	8,065	20,000	nil	\$163,065
Charles Boulanger	100,000	7,259	nil	0	\$107,259
Andrew Judson	95,000	7,259	nil	45,000	\$147,259
Kjell Pedersen	95,000	6,225	nil	nil	\$101,225
Charle Gamba	85,000	6,452	nil	30,000	\$121,452
Mark Horrox <sup>(c)</sup>	not applicable	not applicable	not applicable	not applicable	not applicable
Kiren Singh	90,968	7,259	nil	30,000	\$128,227

TABLE 12

**Notes:**

- (a) Represents the Payment in Cash made or due to directors for services in 2021, as set forth in the Directors' Compensation Policy.
- (b) To align with market practice, the estimated fair value of these options granted on August 19, 2021 has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 89%, risk-free interest rate of 0.60% and an expected life of 3.3 years.
- (c) In accordance with the Directors' Compensation Policy adopted by the Corporation, Mark Horrox was not entitled to receive compensation for serving as a director of the Corporation due to the fact that he was nominated for election to the Board pursuant to an agreement entered into among Third Eye Capital Corporation, Erikson National Energy Inc. and the Corporation.
- (d) Represents payment in cash for the Special Review Committee.



## SHARE-BASED AND OPTION-BASED AWARDS

The following table provides information concerning awards to the non-executive directors of the Corporation during the year ended December 31, 2021.

NAME	OPTION-BASED AWARDS <sup>(a)</sup>			
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS <sup>(b)</sup>
Myron Tétreault	50,000	\$0.30	Aug 19, 2026	500
Charles Boulanger	45,000	\$0.30	Aug 19, 2026	450
Andrew Judson	45,000	\$0.30	Aug 19, 2026	450
Kjell Pedersen	38,590	\$0.30	Aug 19, 2026	386
Charle Gamba	40,000	\$0.30	Aug 19, 2026	400
Mark Horrox <sup>(c)</sup>	not applicable	not applicable	not applicable	not applicable
Kiren Singh	45,000	\$0.30	Aug 19, 2026	450

TABLE 13

**Notes:**

- (a) No share-based awards were issued during 2021.
- (b) The closing trading value on the Toronto Stock Exchange of a Common Share on December 31, 2021, was \$0.31. The value is calculated based on the difference between the market value of the underlying shares at December 31, 2021 and the exercise price of the option.
- (c) In accordance with the Directors' Compensation Policy adopted by the Corporation Mark Horrox is not entitled to receive compensation for serving as a director of the Corporation due to the fact that he was nominated for election to the Board pursuant to an agreement entered into among Third Eye Capital Corporation, Erikson National Energy Inc. and the Corporation.

## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides the value vested in relation to awards held by each non-executive director during the financial year ended December 31, 2021

NAME	OPTION-BASED AWARDS (VALUE VESTED DURING THE YEAR) <sup>(a)</sup>	SHARE-BASED AWARDS (VALUE VESTED DURING THE YEAR) <sup>(b)</sup>
Myron Tétreault	nil	nil
Charles Boulanger	nil	nil
Kjell Pedersen	nil	nil
Andrew Judson	nil	nil
Charle Gamba	nil	nil
Mark Horrox <sup>(c)</sup>	not applicable	not applicable
Kiren Singh	nil	nil

TABLE 14

**Notes:**

- (a) All options granted to non-executive directors vest immediately at the time of grant. Because the exercise price was above the market price at the time of granting and vesting, the value vested during the year is nil.
- (b) No share-based awards were issued to directors during 2021.
- (c) In accordance with the Directors' Compensation Policy adopted by the Corporation Mark Horrox is not entitled to receive compensation for serving as a director of the Corporation due to the fact that he was appointed, or was nominated for election, to the Board at the request of a principal shareholder that owns more than 10% of the issued and outstanding Common Shares.

## INDEMNIFICATION OF DIRECTORS AND SENIOR MANAGEMENT

The Corporation covenants to indemnify and save harmless the directors and senior management of the Corporation and its affiliated entities from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings, and any amount for which the indemnified is liable by reasons of any statutory provision whether civil, criminal or otherwise, and whether such claim is anticipated, threatened, pending, commenced, continued or completed and the foregoing includes any appeal, as well as the amount of any taxes or interest payable as a result of other payments made thereunder) suffered or incurred by the indemnified, directly or indirectly, as a result or by reason of the indemnified being or having been a director or officer of the Corporation or any of its affiliated entities or by reason of any action taken or not taken by the indemnified in the capacity of director or officer of the Corporation or of any of its affiliated entities, provided that he or she acted honestly and in good faith with a view to the best interests of the Corporation, and, in the case of a criminal or administrative action or proceeding, that he or she had reasonable grounds for believing that his or her conduct was lawful. The policy provides further that such costs, charges or expenses must not be suffered or incurred as a result of the fraud, dishonesty or willful default by the indemnified.

## LIABILITY INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT

The Corporation maintains a policy of insurance for the benefit of its directors and members of its senior management which cover them from losses (including damages, costs and similar amounts) which they suffer or incur as a result or by reason of being, or having been, a director or a member of its senior management except to

the extent that such losses are suffered or are incurred as a result of their own fraud, dishonesty or willful default. The insurance policy, effective October 1, 2021, and expiring on September 30, 2022, provides coverage of \$20 million per event and per policy year.

#### EQUITY COMPENSATION PLAN INFORMATION

Other than the Stock Option Plan Number One and Stock Option Plan Number Two, the Corporation does not maintain any other compensation plans under which Common Shares are authorized for issuance. The following table sets forth information regarding the Corporation’s Stock Option Plans as at December 31, 2021:

PLAN CATEGORY	NUMBER OF COMMON SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF COMMON SHARES REMAINING AVAILABLE FOR FUTURE ISSUE UNDER EQUITY COMPENSATION PLANS <sup>(a)</sup>
Equity compensation plans approved by security holders (i.e. Stock Option Plan Number One)	4,567,690 <sup>(b)</sup>	\$1.47	8,724,122 <sup>(c)</sup>
Equity compensation plans not approved by security holders (i.e. Stock Option Plan Number Two)	2,472,775 <sup>(d)</sup>	\$0.90	0 <sup>(e)</sup>
<b>Total</b>	<b>7,040,465</b>	<b>\$1.27</b>	<b>8,724,122</b>

TABLE 15

**Notes:**

- (a) The number of Common Shares remaining available for future issuance under equity compensation plans exclude the number of Common Shares that are to be issued upon the exercise of the options which are currently outstanding.
- (b) Represents the number of Common Shares to be issued upon exercise of outstanding options that were granted under the Stock Option Plan Number One with the approval of the Board.
- (c) Represents the number of Common Shares remaining available for future issuance under the Stock Option Plan Number One excluding the number of Common Shares remaining available for future issuance under the Stock Option Plan Number Two.
- (d) Represents the number of Common Shares to be issued upon exercise of outstanding options that were granted under the Stock Option Plan Number Two with the approval of the Board.
- (e) The Corporation does not intend in the future to grant any stock options under Stock Option Plan Number Two. Therefore, all stock options granted in the future will be granted under Stock Option Plan Number One, as amended.

As at the Record Date, the number of common shares remaining available for future issue under the Amended and Restated Stock Option Plan is 8,724,122.

#### *Stock Option Plans*

As of the Record Date stock options for the issuance of a total of 157,681,871 Common Shares are outstanding. See the section entitled “*Information Concerning Executive Compensation*” for additional information pertaining to stock options held by the executive officers and the directors of the Corporation.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Corporation, nor any associate or affiliate of any of them, is or was indebted, directly or indirectly, to the Corporation or any of its subsidiaries at any time since January 1, 2021.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, there were no material interests, direct or indirect, of any director or executive officer of the Corporation, any proposed director of the Corporation, any other “informed person” (as such term is defined in NI 51-102 – *Continuous Disclosure Obligations*), any person who, to the knowledge of the directors or officers of the Corporation, beneficially owns or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation, or any associate or affiliate of any of the foregoing, in any transaction since January 1, 2021 or in any proposed transaction which has materially affected, or would materially affect, the Corporation or any of its subsidiaries.

## MANAGEMENT CONTRACTS

Although the Corporation and certain of its subsidiaries do regularly engage persons under contracts for service, none of those persons have authority to enter into legal relations for or on behalf of the Corporation or those subsidiaries or the authority to incur expenses or liabilities on their behalf. Accordingly, there are no management functions of the Corporation or any of its subsidiaries that are performed to any substantial degree by persons other than their respective directors or executive officers.

## INFORMATION CONCERNING GOVERNANCE

### BOARD OF DIRECTORS

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

The Board meets at least once quarterly and at each meeting it reviews the activities of the Corporation. The frequency of the meetings of the Board and the nature of the items on the agenda will vary depending on the activities and priorities of the Corporation. The non-executive directors do not hold regularly scheduled meetings at which members of management are not in attendance. However, during each meeting of the Board and each meeting of its committees an in-camera session is held which excludes members of management (including directors who hold an executive office).

Independent members of the current Board are Myron Tétréault, Charles Boulanger, Andrew Judson, Kjell Pedersen, Charle Gamba, and Kiren Singh. Alfred Sorensen is deemed to be a non-independent director of the Corporation pursuant to relevant securities legislation. Of the director nominees being proposed for election on pages 25 to 26 of this Circular, Alfred Sorensen remains the only non-independent director.

Each director, whether or not independent, is expected to exercise independent judgement at all times when discharging their responsibilities as a director of the Corporation. The Board is able to exercise independent supervision over management due to the fact that a majority of the members of the Board and of each of its committees is composed of non-executive directors and at every meeting of the Board and of each of its committees, the non-executive directors on the Board and each committee meet in camera in the absence of management. In addition, the Board’s responsibilities include the appointment of the CEO, the approval of the CEO’s primary duties as well as the terms and conditions (including compensation) of the CEO’s employment by the Corporation. The role and responsibilities of the CEO are delineated and described in the Mandate of the Board and in the various policies approved by the Board and adopted by the Corporation, including the Policy Establishing Financial Authorities.

## ORIENTATION AND CONTINUING EDUCATION

Directors keep themselves informed and receive copies of all up to date required information on boards of directors or committees. Due to the limited number of directors and the emerging nature of the Corporation, no formal training system has been established. However, upon election to the board, new directors are provided with copies of all mandates, policies and other key documents, and are given an orientation by the Chairman and CEO. As well, they are provided with opportunities to meet with key management personnel and to visit corporate sites in order to familiarize themselves with the operations of the Corporation. Directors are expected to update their knowledge base on relevant matters. No formal continuing education program has been established, but many of the directors have pursued continuous learning opportunities independently.

## ETHICAL BUSINESS CONDUCT

The directors and senior management of the Corporation lead by example in setting the highest standards in ethical business conduct.

The Board has adopted a written code of ethical conduct for the directors, officers and other employees of the Corporation. The code of ethical conduct is posted on the website which the Corporation maintains at <https://www.pieridaenergy.com>.

In addition, the Corporation has adopted and maintains a whistleblower policy whereby individuals are invited to report incidents of actual or suspected non-compliance with the code of conduct, or any policy adopted by the Corporation, to the Chair of the Audit Committee via a third-party email address. All such reports are investigated in accordance with the whistleblower policy.

The Board has approved, and the Corporation has adopted, a disclosure policy which requires inter alia the disclosure of conflicts of interest. When the Board becomes aware of a transaction or an agreement in which a director or executive officer has a material interest, that transaction or agreement is carefully considered by those directors who do not have a conflict of interest and is discussed and voted upon by them without the participation of any director or executive officer who has a conflict of interest.

## ESG COMMITMENT

On June 22, 2021 the Corporation launched its inaugural ESG Report, a copy of which can be downloaded at <https://pieridaenergy.com/our-responsibility/esg-report>. This report defined the top material ESG risks and opportunities and the Corporation made a number of commitments including:-

- Achieving net-zero emissions by 2050, with plans to use carbon sequestration and other technologies, as part of the global transition to a low-carbon energy economy;
- Growing and honouring relationships with the Indigenous Peoples of Canada based on the principles of trust, mutual respect, fairness, openness, transparency and reconciliation;
- Being a good neighbour through constructive community and stakeholder engagement and support in the communities where we live and operate;
- Meeting our Path to Zero goals for Health, Safety and Environment, progressing safety competence, safeguarding our culture and upholding our reputation for compliance; and
- Building a diverse culture and workplace through a strong and sustainable governance framework.

The ESG Report will be updated in Fall 2022.

## NOMINATION OF DIRECTORS

The Nomination & Compensation Committee is responsible for identifying and assessing new candidates for nomination and election to the Board. The members of the Nomination & Compensation Committee and the CEO identify the critical skills that are underrepresented on the Board and they collectively identify and interview potential candidates that possess those critical skills.

The Governance & ESG Committee<sup>18</sup> is responsible for reviewing and assessing the size, composition and operation of the Board and its committees to ensure effective decision-making and to periodically assess and review the skills, areas of expertise, backgrounds, independence and qualifications of each of the existing members of the Board.

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

## INFORMATION CONCERNING DIVERSITY

### DIVERSITY STATEMENT

The Corporation values the benefits that diversity can bring to its Board, senior management team and employee group. These benefits include the promotion of differing perspectives and the broadening of ideas while improving oversight, decision-making and governance. Moreover, diversity on the Board and the senior management team evidences the Corporation's dedication to diversity at all levels within the organization and its commitment to foster an inclusive corporate culture that is based on merit and is free of bias whether conscious or unconscious.

The Corporation believes that promotion of diversity within the organization is best served through an objective evaluation of the knowledge, experience, expertise and backgrounds of each nominee for director, and each potential employee, in close proximity to the needs of the Corporation and enhanced diversity but without undue focus on any single diversity characteristic. The Corporation at all times strives to maintain a Board and a senior management team which is comprised of talented and dedicated individuals with a diverse mix of knowledge, experience, expertise and backgrounds who collectively are able to execute upon the strategic objectives of the Corporation while reflecting the diversity within the society in which the Corporation operates. Thus, the Corporation will always consider candidates based on objective criteria having due regard to the benefits of diversity and the needs of the Corporation when assessing the composition of the Board, the senior management team and employee group and when identifying suitable candidates for election or appointment to the Board or for employment at every level.

### CANADA BUSINESS CORPORATIONS ACT REQUIRED DISCLOSURE ON DIVERSITY

The following information is disclosed by the Corporation pursuant to Section 172.1 of the CBCA and Part 8.2 of the Canada Business Corporations Regulations, 2001 SOR/2001-512, as amended (collectively, the "**Applicable Legislation**").

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<sup>18</sup> Prior to May 27, 2021 this was the remit of the Governance & Compensation Committee

For the purposes of complying with these disclosure obligations under Applicable Legislation, “designated groups” means women, Aboriginal peoples<sup>19</sup>, persons with disabilities<sup>20</sup> and members of visible minorities<sup>21</sup> and, at the election of the Corporation, includes LGBT persons<sup>22</sup> and “members of senior management” means the CEO, CFO, COO, Chair of the Board of Directors and each vice president and senior vice president.

As stated in its written diversity statement, the Corporation values the benefits that diversity can bring to its Board, management and employees. Thus, the level of the representation of designated groups on its Board and among members of senior management will be considered by the Corporation among the relevant factors in identifying and nominating candidates for election or re-election on the Board and in appointing members of senior management. That said, at this time the Corporation has not, for any designated group, established a target number or a percentage, or a range of target numbers or percentages, for members of that group to hold positions on its Board or to be members of senior management by a specific date. Each candidate for nomination to the Board or for membership to senior management must be evaluated on a broad spectrum of criteria (including their degree of diversity) and in each case, the Corporation must engage the best candidate for each position.

As of the Record Date, the following table discloses the current level of diversity on the Corporation’s Board and among the membership of senior management.

	BOARD		SENIOR MANAGEMENT	
	NUMBER	%	NUMBER	%
WOMEN	1	20%	1	14.2%
ABORIGINAL PEOPLES	0	0%	0	0%
PERSONS WITH DISABILITIES	0	0%	0	0%
MEMBERS OF VISIBLE MINORITIES	1	20%	1	14.2%
LGBT PERSONS	0	0%	0	0%

TABLE 17

With the adoption of its written diversity statement, the Corporation will thereafter monitor the level of diversity, including with reference to each designated group, that exists within the organization and will prepare a written diversity report at least annually that discloses the level of that diversity that exists at that time on the Board, among the members of senior management and within the broader employee group. It is anticipated that over time, progress will be evident from a chronological comparison of the results disclosed in these written diversity reports.

The Corporation conducted its annual diversity survey among its directors, members of senior management and employees in February 2022. The survey is undertaken on a confidential basis and participation was encouraged but was not mandatory. An email invitation to participate in the diversity survey was sent to two hundred and sixty-four individuals constituting all of the Corporation’s directors and employees. One hundred and sixty-eight responses were received representing a 63% response rate.

<sup>19</sup>“Aboriginal peoples” means persons who are Indians, Inuit or Métis.

<sup>20</sup> “Persons with disabilities” means persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who either (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) believe that a employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment, and includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

<sup>21</sup> “Members of visible minorities” means persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.

<sup>22</sup> “LGBT persons” means persons, other than members of any other designated group, who self-identify as either lesbian, gay, bisexual or transgender.

The following table depicts certain of the personal characteristics of the individuals who participated in the diversity survey.

	NUMBER OF INDIVIDUALS	%
WOMEN	33	19.64%
ABORIGINAL PEOPLES	9	5.36%
PERSONS WITH DISABILITIES	9	5.36%
MEMBERS OF VISIBLE MINORITIES	20	11.98%
LGBTQ2S+ PERSONS	12	7.19%

TABLE 18

The Corporation has neither adopted term limits for the directors on its Board nor adopted any formal mechanisms of board renewal. However, the Nomination & Compensation Committee regularly reviews the size and composition of the Board and makes appropriate recommendations to the Board to ensure that it has the necessary mix of skill sets and backgrounds to effectively perform its functions.

#### COMPENSATION

Please refer above to the sections entitled “*Information Concerning Executive Compensation*” and “*Information Concerning Director Compensation*”.

#### BOARD COMMITTEES

In exercising its mandated duties, in 2021 the Board undertook a review and assessment of the effectiveness and contributions of individual directors and the committees. Driven by the changing needs of the Corporation, it was determined that, effective May 27, 2021, the committees would be expanded from three to four in acknowledgement of the growing importance ESG plays within the Corporation. Accordingly, the membership and mandates of the committees were reviewed and, where appropriate, refreshed. This included the movement of board members within committees and the updating of the mandates for the Governance & ESG Committee, the Nomination & Compensation Committee and the Reserves & HSE Committee. The Audit Committee and the Board of Directors mandates remained unchanged.

The Board now has four standing committees as indicated below.

PREVIOUS COMMITTEES	NEW COMMITTEES
Audit Committee	Audit Committee
Reserves & HSE	Reserves & HSE
Governance & Compensation	Governance & ESG
	Nomination & Compensation

The Board will continue to ensure the proper functioning of the Board, the Audit Committee, the Governance & ESG Committee, the Nomination & Compensation Committee as well as the Reserves & HSE Committee by periodically reviewing and assessing the effectiveness and contribution of individual directors. The Board has adopted a written mandate of each committee. Each such mandate includes a position description of the Chair of each committee.



### *Audit Committee*

Information regarding the composition of the Audit Committee, the relevant education and experience of each audit committee member, the amount and nature of the fees that were paid by the Corporation to its external auditors and a copy of the mandate of the Audit Committee are disclosed on page 36 and Appendix D of the annual information form of the Corporation for the year ended December 31, 2021, a copy of which can be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and which was filed on SEDAR on March 24, 2022.

### *Governance & ESG Committee*

The Corporation has established a governance & ESG committee (the "**Governance & ESG Committee**") the primary objective of which 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.

Specifically, the Governance & ESG Committee is charged with the overall responsibility for the adequacy and effectiveness of the Board's governance practices. This includes, amongst other things, periodically assessing, reviewing, and making appropriate recommendations on its governance practices, the composition, and skills of serving directors and new directors as appropriate.

It also provides oversight of the Corporation's global human resources strategy, policies and programs with special focus on management development and succession and leadership planning.

With regards to the Corporation's ESG framework, it will review and offer guidance and recommendations on the Corporation's ESG framework and consider and recommend policies that conform with this framework. In conjunction with the CEO, it shall assist the Board in setting the Corporation's general strategy on ESG matters including, amongst other things, the identification and management of material ESG risks and opportunities, reviewing any concomitant ESG goals, setting realistic future targets and the integration of such matters into the business strategy, processes and compensation philosophy of the Corporation.

The Governance & ESG Committee is currently comprised of and Kiren Singh, who serves as the Chair), Kjell Pedersen and Charle Gamba (each of whom is considered to be an independent member).

Ms. Singh has more than 25 years of experience in the energy industry including executive roles for publicly traded corporations. She has served as a board member and on Human Resource and Governance committees which has included oversight of strategic planning and development, monitoring and measuring executive objective setting, performance metrics and compensation programs for private and crown corporations. Ms. Singh completed her Directors Education Program and received her ICD.D designation which included education on the role of the compensation committee and evaluating the CEO and succession planning.

Mr. Pedersen has filled top management positions, including CEO, in large international and national oil and gas companies for more than twenty years in various countries. He has also served as Chairman of boards and director of compensation committee in other public and private companies in the industry. Mr. Pedersen has through his MSC education, people management courses and extensive experience in our industry in several countries, gained knowledge of the opportunities and risks associated with different compensation systems. Through his board memberships in private and public companies he has also gained a good understanding of corporate governance and compensation systems relative to expectations of employees, shareholders and the public.

Mr. Gamba founded Canacol Energy Ltd. in 2008. He has held a variety of technical and management roles with major and mid-sized international oil companies, with the majority of his professional career focused on E&P in South

America. Prior to creating Canacol, Mr. Gamba was Vice President of Exploration for Occidental Oil & Gas Company based in Bogota, Colombia. In his 8 years with Occidental, he has lived and worked in Ecuador, Qatar, Colombia, and the United States, working in a variety of technical and management roles. He started his career as a geologist with Imperial Oil in Calgary, and holds an MSc and PhD in Geology.

#### *Reserves & Health, Safety & Environment Committee*

The Reserves & Health, Safety and Environment Committee (“**Reserves & HSE Committee**”) is responsible for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities, and reviewing and reporting to the Board on: (i) the Corporation's procedures relating to the disclosure of such information; (ii) the appointment of, or any changes to, the independent consultants engaged to report on the Corporation's oil and gas reserves pursuant to the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”); and (iii) the Corporation's procedures for providing information to the consultants.

The Reserves & HSE Committee is also responsible for, among other things, reviewing the health, safety and environment policies of the Corporation and exercising oversight of the Corporation's compliance with all applicable law in the conduct of its activities. Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultants' report required under NI 51-101, the Reserves & HSE Committee meets with responsible management of the Corporation and the independent consultants to review the evaluation report, and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the Statement of Reserves Data and Other Oil and Gas Information and related reports required under NI 51-101.

The Reserves & HSE Committee is comprised of Kjell Pedersen, who serves as the Chair, Charles Boulanger and Charle Gamba (each of whom is considered to be an independent member).

#### *Nomination & Compensation Committee*

The Corporation has established the Nomination & Compensation Committee (“**Nomination & Compensation Committee**”) the primary objective of which 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.

It is responsible for developing and recommending policies regarding the director nomination process and to assess the qualifications, expertise and characteristics of its Board members, with the goal of developing a diverse, experienced and high-quality representation. 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.

The Nomination & Compensation Committee is also charged with the overall responsibility of reviewing and administering the Corporation's compensation philosophy, establishing and fostering its compensation policies that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance and monitoring the implementation of those policies. It is important to the Corporation to ensure that it is capable of attracting, motivating and retaining individuals who will contribute to the success of the Corporation.

To that end, the Nomination & Compensation Committee is specifically responsible for, among other things, establishing the overall compensation policies of the Corporation and monitoring their implementation, periodically reviewing those policies and specific compensation practices and plans of the Corporation and recommending appropriate changes to the Board for consideration, administering the Corporation's incentive plans, including the Stock Option Plans, in accordance with their terms and recommending to the Board the granting of incentives (including stock option grants) as appropriate. The Nomination & Compensation Committee periodically reviews and approves the goals and objectives of the Corporation relative to the evaluation of the CEO's performance and compensation, and periodically reviews the level of compensation of the members of the Board and its committees and recommends appropriate changes to the Board for consideration.

In discharging its responsibilities, the Nomination & Compensation Committee will seek the advice of the CEO. However, the CEO will not participate in the deliberations of the Nomination & Compensation Committee or the Board in regard to the evaluation of the CEO's performance or on matters concerning his compensation. The Nomination & Compensation may not delegate any of its responsibilities under its mandate to another entity or to an individual without the approval of the Board.

The Nomination & Compensation Committee is comprised of Andrew Judson, who serves as the Chair, Myron Tétreault and Kiren Singh (each of whom is considered to be an independent member).

## **REGISTRAR AND TRANSFER AGENT**

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

## **OTHER BUSINESS**

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

## **SHAREHOLDER PROPOSALS**

Pursuant to the provisions of the Canada Business Corporations Act ("CBCA"), any Shareholder wishing to present a proposal to be considered for inclusion at the next annual meeting of Shareholders in 2023 must submit such proposal to the Corporation to be received during the prescribed period which is the 60-day period that begins on the 150th day before the anniversary of the previous annual meeting of shareholders<sup>23</sup>. Any such proposal must meet all the requirements of the CBCA and the regulations. A shareholder proposal must be addressed to the Corporate Secretary and either (i) posted to Pieridae Energy Limited at 308 - 4th Avenue S.W., Suite 3100, Calgary, Alberta, Canada T2P 0H7, or (ii) emailed to [legal@pieridaenergy.com](mailto:legal@pieridaenergy.com).

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<sup>23</sup> Pursuant to Section 16 of Regulation SOR/2022-40 when read in conjunction with Section 137(5)(a) of the CBCA.

## ADVANCE NOTICE BY-LAW

By-Law No.3: The Advance Notice By-Law (the “By-Law”) was adopted by the Board on February 6, 2020 and confirmed by the Shareholders at the Annual and Special Meeting of Shareholders on May 26, 2020. The by-law establishes the procedures, timeframe and forms which a shareholder must follow in order to nominate a person for election as a director of the Corporation at the Meeting.

To be timely, a nominating shareholder’s notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than thirty (30) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date on which the first public announcement (the “Notice Date”) of the date of the annual meeting was made by the Corporation, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made by the Corporation; and
- (c) in the case of an annual meeting (including an annual and special meeting) of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than forty (40) days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the fifteenth (15<sup>th</sup>) day following the Notice Date.
- (d) Each of the notice periods set forth above shall reset if the meeting is adjourned and/or postponed, and for these purposes the date on which the first public announcement of the date of the meeting was made shall be the date of the first public announcement of the adjournment and/or postponement.

Delivery of the notice must be addressed for the attention of the Corporate Secretary and delivered by either (i) personal delivery to Pieridae Energy Limited 308 - 4<sup>th</sup> Avenue S.W., Suite 3100 , Calgary, Alberta, Canada T2P 0H7 (ii) facsimile to (403) 261 5902, or (iii) email to [legal@pieridaenergy.com](mailto:legal@pieridaenergy.com) and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent my facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address noted above. If delivery or electronic communications is made on a day which is not a business day or later than 5.00 pm Mountain Time on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the By-Law and, if any proposed nomination is not in compliance with the B-Law, to declare that such defective nomination shall be disregarded. Notwithstanding the foregoing, the Board may, in its

sole discretion, waive all or any requirements in the By-Law. A copy of the By-Law can be found on our website ([www.pieridaeenergy.com](http://www.pieridaeenergy.com)).

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in the Corporation's comparative financial statements for the year ended December 31, 2021, and related and management discussion and analysis which can be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.pieridaeenergy.com](http://www.pieridaeenergy.com). Shareholders may also obtain these documents, without charge, upon request sent by mail to the CFO at Pieridae Energy Limited, 308 – 4th Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 0H7 or sent by email to [legal@pieridaeenergy.com](mailto:legal@pieridaeenergy.com).

## **APPROVAL OF DIRECTORS**

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

DATED as of the April 12, 2022.

*“Alfred Sorensen”*

Alfred Sorensen  
Chief Executive Officer

## SCHEDULE A – AMENDED AND RESTATED STOCK OPTION PLAN

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless otherwise required by the context or subject matter, the following terms, as used herein, have the meanings set forth below.

- a) **Affiliate** has the meaning given to that term in the *Securities Act* (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time.
- b) **Black-Out Period** has the meaning given to that term in Section 3.4 hereof.
- c) **Board of Directors** means the board of directors of the Corporation.
- d) **Business Day** means a day that is not a Saturday, Sunday or a general holiday in Alberta.
- e) **Change of Control** means:
  - (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation;
  - (ii) a consummated arrangement, amalgamation, merger, consolidation, take-over bid, compulsory acquisition or similar transaction involving (directly or indirectly) the Corporation if, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction;
  - (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
  - (iv) the passing of a resolution by the Board of Directors or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement);

- (v) the election at a meeting of the Corporation's Shareholders of a number of directors to the Board of Directors who were not director nominees proposed to the Corporation's Shareholders by the Corporation's prior Board of Directors, and would represent a majority of the Board of Directors; or
  - (vi) the appointment of a number of directors to the Board of Directors which would represent a majority of the Board of Directors and which were nominated by any holder of Shares of the Corporation or by any group of holders of Shares of the Corporation acting jointly or in concert and not approved by the Corporation's prior Board of Directors.
- f) **Constructive Dismissal** means constructive dismissal as defined at common law; however, it does not include any of the following with respect to an Optionee:
- (i) a reduction in compensation unless greater than 15% of the Optionee's total compensation;
  - (ii) a reduction in compensation, regardless of quantum, where such reduction in compensation has been applied in a similar manner to all or substantially all employees of the Corporation;
  - (iii) a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation;
  - (iv) a re-location of position;
  - (v) any material change to the Optionee's terms and conditions of employment made with the consent of the Optionee; and
  - (vi) a promotion.
- g) **Corporation** means Pieridae Energy Limited and any corporation which it controls pursuant to the *Canada Business Corporations Act*.
- h) **Date of Grant** in respect of an Option means the date on which the Board of Directors grants the particular Option in favour of an individual.
- i) **Eligible Persons** means directors, senior executives and employees of the Corporation and Service Providers to the Corporation.
- j) **Event** has the meaning given to that term in Section 3.8 hereof.
- k) **Exchange** means the Toronto Stock Exchange.
- l) **Exercise Notice** in respect of an Option means the notice regarding the exercise of the particular Option, in the form approved by the Corporation, duly executed by the Optionee.
- m) **Exercise Period** in respect of an Option means the period during which the particular Option may be exercised, which runs from the Date of Grant inclusively, provided that all of the regulatory approvals have been obtained, up to and including the Expiry Date.
- n) **Exercise Price** in respect of an Option means the price at which the Option may be exercised, as established pursuant to Section 3.6 hereof.

- o) **Expiry Date** in respect of an Option means the date established in respect thereof pursuant to Section 3.3 hereof.
- p) **Insider** has the meaning given to that term in the TSX Company Manual <sup>1</sup>.
- q) **Insider Participation Limits** means, collectively, the limits set out in Section 2.6 hereof.
- r) **Market Value** means the closing price of the Shares on the Exchange on the trading day immediately preceding the Date of Grant.
- s) **Notice** has the meaning given to that term in Section 3.4 hereof
- t) **Option Certificate** in respect of an Option means the certificate representing the Option.
- u) **Option** or **Options** means, as the case may be, one or several options granted pursuant to the Plan for the purpose of purchasing Shares.
- v) **Optionee** in respect of an Option means the employee, director, senior executive or Service Provider, as the case may be, their Personal Representative that hold the Option.
- w) **Personal Representative** of an Optionee means (i) in the case of a deceased Optionee, the Optionee's legatees in accordance with the terms and conditions of the Optionee's last will or the Optionee's representative with respect to the Optionee's estate; and (ii) in the case of an Optionee who, for any reason whatsoever, is incapable of managing his or her affairs, the person legally authorized to act on behalf of such Optionee.
- x) **Plan** means this Stock Option Plan.
- y) **Security Based Compensation Arrangement** has the meaning given to that term in the TSX Company Manual <sup>17</sup>.
- z) **Service Provider** has the meaning given to that term in the TSX Company Manual <sup>18</sup>.
- aa) **Share** or **Shares** means, as the case may be, one or several common shares in the share capital of the Corporation.
- bb) **Shareholder** means a holder of one or more Shares.
- cc) **Successor Corporation** has the meaning given to that term in Section 5.4 a) hereof.
- dd) **Termination Date** means the date on which an Optionee ceases to be an Eligible Person as a result of a termination of employment or engagement with the Corporation for any reason, including death, disability, resignation, or termination with or without cause, but not including an Optionee's absence from active employment or engagement with the Corporation during a period of authorized leave of absence. For greater certainty, the Termination Date shall be the last day of the Optionee's actual and active employment or engagement with the Corporation, whether such day is selected by agreement with the individual, unilaterally by the Corporation and whether with or without advance notice to the Optionee. No period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by common law or otherwise, in respect of such termination of employment or engagement that follows or is in respect of a period after the Optionee's last day of actual and active employment or engagement will be considered as extending the Optionee's period of employment or engagement for the purposes of determining his or her entitlement under this Plan.

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1. See "Interpretation" in the TSX Company Manual  
 2. Section 613(b) of the TSX Company Manual  
 3. *ibid.*



## 1.2 Governing Law

The Plan is established pursuant to the laws in effect in the Province of Alberta and the policies of the Exchange, and its provisions shall be interpreted pursuant to such laws and policies.

## 1.3 Headings

The headings herein are for the convenience of the reader and shall in no way affect the interpretation of the Plan.

## 2 Purpose and Participation

### 2.1 Purpose

The Plan was designed to allow the Corporation, through Shares, to retain and motivate competent directors, senior executives, employees and Service Providers, to compensate directors, senior executives, employees and Service Providers to whom the Board of Directors may grant Options pursuant to the Plan from time to time further to their efforts in attaining the goals of the Corporation and to allow such individuals to purchase Shares as an investment, and to encourage them to act in this manner.

### 2.2 Participation

From time to time, the Board of Directors will designate, at its discretion, the Eligible Persons who are to be granted Options and will establish the number of Shares with respect to which each Option may be exercised and grant the Options based on these decisions. The granting of an Option to an Eligible Person will not, at any time, entitle such person to receive Options thereafter, nor will it prevent such person from receiving Options thereafter.

### 2.3 Notice of Granted Options

- a) After the Board of Directors has approved the granting of an Option, any member of the Board of Directors or any other individual designated by the Board of Directors for such purpose shall give written notice of the grant (a **Notice**) to the applicable Eligible Person and shall include therewith the Option Certificate representing the Option thus granted.
- b) In the case of an Option which is proposed to be granted to an employee of the Corporation or a Service Provider, no such Option shall be granted by the Board of Directors to such individual unless and until the Corporation has declared that such individual is a *bona fide* employee of the Corporation or a Service Provider, as the case may be.

### 2.4 Copies of the Text of the Plan

At the time that a Notice is delivered to an Eligible Person upon the initial granting of an Option, that Eligible Person must be provided with either one copy of the text of the Plan or the address of the website from which the text of the Plan can be downloaded by the Eligible Person, and within ten (10) days following the receipt of the Notice and the accompanying Option Certificate, each such Eligible Person shall sign that Notice acknowledging that the Eligible Person has read the Plan and unconditionally agreeing to the terms and conditions stipulated in the Plan, the Option Certificate and the Notice. Notwithstanding any other provision hereof, the grant of such Option by the Corporation to that Eligible Person shall not be effective unless and until the Eligible Person complies with the requirements of this Section 2.4 and all of the other conditions herein relating to such Grant are satisfied.

## 2.5 No Additional Rights

The Plan does not entitle an Optionee to be, or continue to be, an employee or a director of the Corporation nor does it create an obligation on the part of the Optionee. The Plan does not grant the Optionee any rights as a Shareholder with respect to the Shares underlying the Options before such time as the Optionee has exercised his or her Options, or a part thereof, and he or she is duly registered as a Shareholder. All decisions regarding the granting of Options shall be made at the sole discretion of the Board of Directors. The Plan does not hinder, limit, force, restrict, or prevent the Board of Directors with respect to the allocation or the issuance of Shares or of any other security of the Corporation, except as specified in the Plan.

## 2.6 Participation Limits

- a) The maximum number of Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- b) The maximum number of Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).

## 2.7 Non-Employee Director Participation Limits

- a) The number of Shares that are issuable to Eligible Persons who are non-employee directors under this Plan and any other Security Based Compensation Arrangements of the Corporation shall not at any time exceed \$150,000 worth of Shares annually per non-employee director, of which no more than \$100,000 may be in the form of Options.

# 3 Terms and Conditions of the Options

## 3.1 Issuance of Shares by the Board of Directors

The Shares to be issued to Optionees upon the exercise of the Options shall not be issued by the Corporation unless and until the issuance of such Shares is duly authorized by the Board of Directors.

## 3.2 Number of Shares

The Options to be granted under the Plan must not be exercisable for more than 10% of the Shares issued and outstanding at the time the Options are granted, provided that if the Options expire or are terminated for any reason before they vest and are exercised, the number of Shares underlying such expired or terminated Options may again be available under the Plan.

## 3.3 Term of Options

Subject to Sections 3.5 and 5.2 hereof, the Expiry Date of an Option is the date established by the Board of Directors at the time of the granting of the particular Option, provided that such date does not extend beyond the fifth anniversary of the Date of Grant of the Option, or such later date as determined in accordance with Section 3.4 hereof.

### 3.4 Black-Out Periods

Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following, a date upon which an Optionee is prohibited from exercising an Option due to a blackout period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation) (a Black-Out Period), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

### 3.5 Termination of Options

Subject to Section 3.1 hereof, Optionees may exercise an Option in whole or in part, at any time or from time to time during the Exercise Period, provided that the Option has vested on or before such time pursuant to the terms of the Option Certificate evidencing such Option and provided that, with respect to the exercise of a part of an Option, the Board of Directors shall be entitled, at any time and from time to time, to establish the number of Shares with respect to which an Optionee may exercise a part of the Option held by such Optionee. All of the Options, or parts of an Option, that have not been exercised during the Exercise Period will terminate and become null and void on the day immediately following the Expiry Date. The Expiry Date of an Option will correspond to the earlier of:

- a) the date established by the Board of Directors as the Expiry Date at the time of the granting of the Option; and
- b) the date established pursuant to subparagraphs (i) to (v) hereinafter:
  - (i) *Death* – Upon the death of an Optionee who is an Eligible Person, the date established hereby in respect of each Option held by such Optionee at the date of death is the earlier of (A) the Expiry Date of the Option and (B) the expiry of a period of ninety (90) days following the Termination Date; provided that any such Options, or the remainder thereof, which are vested at the Termination Date and which have been granted to such Optionee may be exercised on or before such date by the Optionee’s Personal Representative in accordance with the terms of the Plan
  - (ii) *Cessation of Employment* – If an Optionee at any time on a particular day ceases to be employed by the Corporation (other than as a consequence of the termination of employment by the Corporation for cause), or ceases to hold an office of director of the Corporation, or ceases to be engaged by the Corporation as a Service Provider, for any reason other than death and the Option is held by the Optionee at that time, the date established hereby in respect of such Option is three hundred and sixty five (365) days after the Termination Date if such Option was granted to the Optionee by the Corporation at any time on or before October 24, 2017, and in any other case, the date established hereby in respect of such Option is ninety (90) days after the Termination Date.
  - (iii) Notwithstanding subparagraphs (i) and (ii) above, the Board of Directors may, at its discretion and subject to the approval of the Exchange, if required, by means of a prior notice sent to an Optionee or to his or her Personal Representative, allow an Option, or part of an Option, to remain valid and in effect, and may direct that the Expiry Date of an Option or part of an Option held by the Optionee be deemed to be the Termination Date, or a date after any of such events.

- (iv) *Termination of Employment for Cause* – If the employment of an Optionee is terminated for cause, the date established hereby in respect of each Option held by such Optionee is the first day that the Optionee ceased to be employed by the Corporation after expiration of the applicable period of notice of termination, if any.
- (v) *Discretion of the Board of Directors* – The Board of Directors may, at any time or from time to time, with the consent of an Optionee and, subject to the approval of the Exchange, accelerate or postpone the Expiry Date of an Option or of any part of an Option held by the Optionee if the Board of Directors establishes, at its discretion, that this measure is warranted under the circumstances and provided that the Expiry Date of the Option does not extend beyond the fifth anniversary of the Date of Grant.

### 3.6 Exercise Price

- a) No consideration will be payable with respect to the granting of an Option. Consideration will be payable pursuant to paragraph 3.6(b) hereunder.
- b) At the time of the granting of an Option, the Board of Directors shall establish the price at which an Optionee may purchase an underlying Share upon the exercise of his or her Option. Said price will not be less than the Market Value.
- c) The Board of Directors may reduce the Exercise Price of an Option with the consent of the Optionee, subject to the prior approval of the disinterested Shareholders of the Corporation and any other requirements of the Exchange, if the Optionee is an insider.

### 3.7 Assignment of Options

Options may not be assigned or transferred. However, to the extent provided for pursuant to Section 4.1 hereof, the Personal Representative of an Optionee may exercise Options during the Exercise Period.

### 3.8 Adjustments

Prior to the exercise of an Option, if a stock dividend is paid with respect to the Shares or if the Shares are consolidated, subdivided, converted, exchanged, or redesignated, or if they are in any way replaced (collectively an **Event**), the Option, to the extent that it has not been exercised, will, subject to the approval of the Exchange, entitle the holder thereof, upon its exercise pursuant to its terms and conditions, to the number and type of Shares, other securities or assets that the holder would have been entitled to receive as a result of the Event as if such holder were the owner of the underlying Shares at the time the Event occurred, and the Exercise Price of the Option will be the same as if the underlying Shares initially subject to the Option had been purchased pursuant hereto. No fractional Shares will be issued upon the exercise of the Options, and if an Optionee is entitled to a fraction of a Share as a result of an Event, then such Optionee will only be entitled to purchase the nearest lower full number of Shares and no payment or any other adjustment will be made with respect to the fractional participation that is not taken into account. If an Event occurs, the number of Shares that the Board of Directors has authorized pursuant to the Plan as set forth in Section 3.2 hereof will be adjusted accordingly.

## 4 Exercise of Options

### 4.1 Exercise of Options

Only the Optionee or his or her Personal Representative, as the case may be, has the right hereunder to exercise an Option in accordance with the provisions of the Plan. An Optionee, or his or her Personal Representative, may exercise an Option in whole or in part, at any time or from time to time during the Exercise Period provided

that the Option has vested on or before such time pursuant to the terms of the Option Certificate evidencing such Option, by delivering to the Board of Directors:

- a) an Exercise Notice duly signed by the Optionee or his or her Personal Representative, as the case may be;
- b) the applicable Option Certificate;
- c) if the Exercise Notice is signed by a Personal Representative of the Optionee whose Options are exercised, any documentation that the Corporation may request; and
- d) and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of (i) the aggregate Exercise Price of the underlying Shares that are being purchased as a result of the exercise of the Option and (ii) the amount of the applicable withholding tax as determined by the Corporation.

#### **4.2 Issuance of Shares**

As soon as possible after the receipt of the Exercise Notice, the Board of Directors will direct management to ensure that a certificate for the Shares thus purchased on the exercise of an Option is delivered to the Optionee or his or her Personal Representative, as the case may be. If the number of Shares thus purchased is less than the number of Shares represented by the Option Certificate that is surrendered, the Board of Directors shall make a note thereon indicating the number of Shares with respect to which the Option was exercised and shall return such Option Certificate to the Optionee or his or her Personal Representative, as the case may be, at the same time as the Share certificate mentioned above is issued.

#### **4.3 Conditions of the Issuance**

The issuance of Shares by the Corporation as a result of the exercise of an Option is subject to the laws (including the *Income Tax Act* (Canada), rules, and regulations of all of the authorities and public bodies applicable with respect to the issuance and the distribution of Shares, including but not limited to the Exchange. The Optionee agrees to comply with all of these laws, rules, and regulations, to provide the Corporation with the information, reports, and covenants necessary in order to comply with such laws, rules, and regulations, and to fully collaborate with the Corporation with respect to such compliance.

### **5 Administration, Amendments and Termination of the Plan**

#### **5.1 Administration**

The Board of Directors will administer the Plan in its sole discretion. The Board of Directors will have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the Board of Directors deems proper and in the best interests of the Corporation, and to reserve and issue Shares issuable pursuant to the exercise of Options. Such regulations and provisions may include the delegation to a committee of the Board of Directors of such administrative duties and powers of the Board of Directors as it may, in its sole discretion, deem fit. The determinations of the Board of Directors in the administration of the Plan shall be final and conclusive.

#### **5.2 Amendment**

The Board of Directors may, at any time and from time to time, without the approval of the Shareholders (other than any required regulatory or Exchange approvals), suspend, discontinue or amend this Plan or any Option.

Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:

- a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;
- b) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;
- c) amendments respecting the administration of the Plan;
- d) changing the vesting provisions of the Plan or any Option Certificate;
- e) changing the termination provisions of any Option that does not entail an extension beyond the original Expiry Date; and
- f) any other amendment that does not require the approval of Shareholders under Section 5.3 hereof.

### 5.3 Amendments Requiring Shareholder Approval

Notwithstanding Section 5.2 hereof, specific Shareholder approval is required for:

- a) any change to the maximum number of Shares issuable from treasury under the Plan, including an increase to the fixed maximum percentage or a change from a fixed maximum percentage to a fixed maximum number of Shares, other than an adjustment pursuant to Section 3.8;
- b) any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation of an Option and the substitution of that Option by a new Option with a reduced price, except in the case of an adjustment pursuant to Section 3.8;
- c) any amendment which extends the Option Term beyond the original expiry date, except as provided in Section 3.4 hereof;
- d) any amendment to remove or to exceed the Insider Participation Limits;
- e) any amendment which would allow non-employee directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-employee director participation pursuant to Section 2.7;
- f) any amendment which would permit any Option granted under the Plan to be transferable or assignable by any Eligible Person other than as allowed by Section 3.7;
- g) any amendment to the amendment provisions of this Plan found in Section 5.2 or this Section 5.3.

### 5.4 Change of Control

- a) In the event of a Change of Control, the surviving, continuing, successor or purchasing corporation or Affiliate thereof, as the case may be (the **Successor Corporation**), may either assume the Corporation's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent options in the Successor Corporation in a manner that substantially preserves and does not impair the rights of the Optionees thereunder in any material respect.

- b) In the event that an assumption or substitution of Options is not made by the Successor Corporation in accordance with paragraph a) prior to or in connection with a Change of Control, all Options held by an Optionee as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.
  
- c) If the employment of an Optionee is terminated by the Corporation during the one (1) year period after a Change of Control for any reason other than for Cause, or the Optionee resigns from his employment as a result of Constructive Dismissal, then any unvested Options held by the Optionee as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all Options that are vested or deemed to be vested may be exercised by the Optionee within 30 days from the Termination Date.

#### **5.5 Retroactive Amendment**

The Board of Directors may, from time to time and subject to the approval of the Exchange, retroactively amend the Plan provided they are permitted to do so under this Section 5 hereof, and, with the consent of the affected Optionees, retroactively amend the terms and conditions of the Options that have been granted until then.

#### **5.6 Termination of the Plan**

The Board of Directors may terminate the Plan at any time, provided that such termination does not affect the rights of any Optionee pursuant to any Option and does not amend the terms and conditions of any Option that has been granted to such Optionee before the date of such termination and, notwithstanding such termination, the Corporation, the Options, and the Optionees will continue to be subject to the provisions of the Plan.

## **SCHEDULE B – BOARD OF DIRECTORS MANDATE**

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### **1. PRIMARY OBJECTIVE**

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

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

### **2. DIRECTORS**

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

- act honestly and in good faith with a view to the best interests of the Corporation;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- 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;
- comply with the CBCA and the regulations enacted thereunder as well as with the Corporation's articles and by-laws; and
- comply with their obligations under applicable law and the policies adopted by the Corporation.

### **3. MANDATE**

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

The Board has the statutory responsibility:

- to supervise the management of the business and affairs of the Corporation;
- to review and to approve the annual consolidated financial statements of the Corporation;
- 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.

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:



- 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.

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

**(d) shareholder meetings**

The Chair has the responsibility:

- to chair meetings of shareholders;
- to ensure, in collaboration with the CEO and relevant committees, that the Corporation's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, and other stakeholder groups;
- at the request of the CEO, to assist in representing the Corporation at specific shareholder presentations, or with senior levels of industry or government to promote specific corporate objectives;

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

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