

BONTERRA ENERGY CORP.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To Be Held On May 20, 2021

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

April 15, 2021

These materials are important and require your immediate attention. If you have questions or require assistance with voting your shares you may contact Bonterra's proxy solicitation agent:

Laurel Hill Advisory Group

North American Toll-Free Number: 1-877-452-7184

Outside North America: 416-304-0211

Email: assistance@laurelhill.com

BONTERRA ENERGY CORP.

901, 1015 - 4th Street S.W.
Calgary, Alberta
T2R 1J4

NOTICE OF ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF BONTERRA ENERGY CORP.

TAKE NOTICE that the Annual and Special Meeting (the “**Meeting**”) of the holders of common shares of **BONTERRA ENERGY CORP.** (the “**Corporation**”) will be held virtually via live audio webcast, online at <https://web.lumiagm.com/278270761>, on Thursday, May 20, 2021, at the hour of 10:00 a.m. (Calgary time) for the purposes of:

1. Receiving and considering the audited financial statements of the Corporation for the fiscal year ended December 31, 2020 and the Report of the Auditor thereon;
2. Electing the Board of Directors for the ensuing year;
3. Appointing Deloitte LLP, Chartered Professional Accountants, Calgary, Alberta as the auditors of the Corporation for the ensuing year and to authorize the Board of Directors to fix their remuneration;
4. Considering an ordinary resolution to confirm and approve the Corporation’s amended and restated By-Law No. 1; and
5. Transacting such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular dated April 15, 2021 accompanying this Notice and forming part hereof. Only shareholders of record at the close of business on April 15, 2021 are entitled to notice of and to attend and vote at the Meeting or any adjournment thereof.

In light of the ongoing public health concerns related to COVID-19 and in order to comply with the measures imposed by the federal and provincial governments, the Corporation is holding the Meeting as a virtual (by electronic means) shareholder meeting only. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/278270761>. Beneficial shareholders (being shareholders who hold their common shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast, but not be able to participate or vote at the Meeting. A summary of the information you need to participate in the Meeting online is provided in the Management Information Circular accompanying this Notice of Meeting.

We encourage Shareholders to carefully read the Management Information Circular and vote in advance of the Meeting. Shareholders can vote online, by email, by telephone, or complete, date and sign the form of proxy or voting instruction form, and return by mail or fax as follows:

	<u>BENEFICIAL SHAREHOLDERS</u>	<u>REGISTERED SHAREHOLDERS</u>
	<i>Shares held with a broker, bank or other intermediary</i>	<i>Shares held in own name and represented by a physical certificate</i>
INTERNET	www.proxyvote.com	https://login.odysseytrust.com/pxlogin
EMAIL OR FAX	Call or fax to the number(s) listed on your voting instruction form	Email: proxy@odysseytrust.com Fax: 1-800-517-4553
MAIL	Return the voting instruction form in the enclosed postage paid envelope	Return the form of proxy in the enclosed postage paid envelope

In order to be valid and acted upon at the Meeting, voting instructions must be transmitted online or forms of proxy must be returned to the aforesaid address not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment thereof.

If you have any questions or need assistance with voting, please contact Bonterra's proxy solicitation agent, Laurel Hill Advisory Group toll free at 1-877-452-7184 (1-416-304-0211 Outside North America) or by email at assistance@laurelhill.com.

DATED at Calgary, Alberta, this 15th day of April, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*D. Michael G. Stewart*"
D. Michael G. Stewart
Chair

BONTERRA ENERGY CORP.

INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

May 20, 2021

SOLICITATION OF PROXIES BY MANAGEMENT

This Information Circular is furnished in connection with the solicitation of proxies by the management of Bonterra Energy Corp. (the “**Corporation**”) for use at the annual and special meeting of the holders of common shares (“**Common Shares**”) of the Corporation to be held virtually via live audio webcast, online at <https://web.lumiagm.com/278270761>, on Thursday, May 20, 2021, at 10:00 a.m. (Calgary time) (the “**Meeting**”) or at any adjournment thereof, for the purposes set forth in the Notice of Meeting accompanying this Information Circular.

There is enclosed herewith a form of proxy for use at the Meeting. A copy of the Annual Report, which includes the audited financial statements of the Corporation for the fiscal year ended December 31, 2020, has previously been disseminated to the shareholders. The holders of Common Shares of the Corporation (“**Shareholders**”) are entitled to vote and are encouraged to participate in the Meeting.

SOLICITATION OF PROXIES BY MANAGEMENT

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Notice of Meeting, form of proxy and this Information Circular will be borne by the Corporation. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, or by telephone or email by regular employees or agents of the Corporation.

Bonterra has retained Laurel Hill to provide advisory services and act as our proxy solicitation agent. In connection with these services, Laurel Hill will receive a fee of \$30,000, plus out-of-pocket expenses. Bonterra will bear all costs of this solicitation. The Corporation has arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

APPOINTMENT AND REVOCATION OF PROXIES

A Shareholder has the right to appoint a nominee, other than the persons designated in the enclosed form of proxy (who need not be a Shareholder), to represent him at the Meeting, by inserting the name of his chosen nominee in the space provided for that purpose on the form of proxy or by completing another proper form of proxy. Such a Shareholder should notify the nominee of his appointment, obtain his consent to act as proxy and instruct him on how the Shareholder’s shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or his attorney

authorized in writing. Registered shareholders may also cast their vote online (www.odysseytrust.com/login) by following the instructions provided on the form. **In light of the ongoing public health concerns related to COVID-19 and in order to comply with the measures imposed by the federal and provincial governments, the Corporation is holding the Meeting as a virtual (by electronic means) shareholder meeting only.** A summary of the information you need to participate in the Meeting online is provided under “Voting At the Meeting” below.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and received by Odyssey Trust Company, Stock Exchange Tower, 1230-300 5th Avenue SW, Calgary, Alberta, T2P 3C4, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment thereof.

In addition to revocation by any other manner permitted by law, a Shareholder who has given a proxy may revoke it, at any time before it is exercised, by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited at the registered office of the Corporation at 901, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4, Attention: Corporate Secretary, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used.

VOTING AT THE MEETING

The Meeting will be held virtually via live audio webcast, available online using the LUMI meeting platform at <https://web.lumiagm.com/278270761>, on Thursday, May 20, 2021 at 10:00 a.m. (Calgary time) for the purposes set forth in the accompanying Notice of Meeting. Given this new format, all Shareholders are strongly advised to carefully read the voting instructions below that are applicable to them. **If you need assistance with voting, please contact Bonterra’s proxy solicitation agent, Laurel Hill Advisory Group toll free at 1-877-452-7184 (1-416-304-0211 Outside North America) or by email at assistance@laurelhill.com.**

Voting by Registered Shareholders

Shareholders who hold Common Shares registered directly in their name may vote at the Meeting virtually by following the steps listed below:

- (a) Type <https://web.lumiagm.com/278270761> into the URL bar of your internet browser at least 15 minutes before the Meeting starts. Please do not do a Google search. Do not use Internet Explorer. The best browser to use the Lumi platform is Google Chrome.
- (b) Click on “I have a log in”.
- (c) Enter your 12-digit control number (found on your proxy form).
- (d) Enter the password: bonterra2021 (case sensitive).
- (e) When the ballots have been opened, you will see them appear on your screen.

Each Shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the instrument of proxy furnished by the Corporation. The Shareholder may exercise this right by following the instructions under “Appointment of a Third Party as Proxy” below.

Appointment of a Third Party as Proxy

The following applies to Shareholders who wish to appoint a person (a “**third party proxyholder**”) other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”), who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting. Beneficial Shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as a guest, but not be able to participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Common Shares **MUST** submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder **AND** register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

Step 1: Submit your proxy or voting instruction form: To appoint a third party proxyholder, insert such person’s 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 prior to 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 beneficial shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

Step 2: Register your proxyholder: To register a proxyholder, Shareholders **MUST** send an email to bonterra@odysseytrust.com by 10:00 a.m. (Calgary time) on May 19, 2021 and provide Odyssey Trust Company with the required proxyholder contact information, number of Common Shares appointed, name in which the Common Shares are registered if they are a registered Shareholder, or name of broker where the Common Shares are held if a Beneficial Shareholder, so that Odyssey Trust Company may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a Beneficial Shareholder and wish to attend, participate or 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 above. 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 below under “Voting by Third Party Proxyholder” below.

Legal Proxy – US Beneficial Shareholders

If you are a Beneficial Shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under “Voting by Third Party Proxyholder”, 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 Odyssey. Requests for registration from Beneficial Shareholders located in

the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to bonterra@odysseytrust.com and received by 10:00 a.m. (Calgary time) on May 19, 2021.

Voting by Third Party Proxyholder

A third party proxyholder may vote at the Meeting virtually by following the steps listed below:

- (a) Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or voting information form. Do not fill out your voting instructions.
- (b) Sign and send it to your intermediary, adhering to the voting deadline and submission instructions on the voting instruction form.
- (c) Obtain a control number by contacting Odyssey Trust Company by emailing bonterra@odysseytrust.com by 10:00 a.m. (Calgary time) on May 19, 2021 with the required proxyholder contact information, number of Common Shares appointed, name in which the Common Shares are registered if they are a registered shareholder, or name of broker where the Common Shares are held if a Beneficial Shareholder.
- (d) Type <https://web.lumiagm.com/278270761> in your browser at least 15 minutes before the Meeting starts. Please do not do a Google search. Do not use Internet Explorer. The best browser to use the Lumi platform is Google Chrome.
- (e) Click on “I have a log in”.
- (f) Enter your 12-digit control number provided by Odyssey Trust Company through email.
- (g) Enter the password: bonterra2021 (case sensitive)
- (h) When the ballots have been opened, you will see them appear on your screen.

NOTICE TO BENEFICIAL HOLDERS OF SHARES

Only registered Shareholders or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which the Intermediary is a participant.

In accordance with the requirements of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, this Information Circular, and the enclosed form of proxy (collectively, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted

at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternatively, you can use their website www.proxyvote.com or call their toll-free telephone number to instruct them how to vote your shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. Bonterra may utilize the Broadridge QuickVote™ service to assist shareholders with voting their shares. Those shareholders who have not objected to Bonterra knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill Advisory Group (“**Laurel Hill**”) to conveniently obtain a vote directly over the phone.

A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should follow the instructions set out under “Voting At the Meeting – Appointment of a Third Party as Proxy” above.**

VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the Shareholders who appoint them. Each Shareholder may instruct his proxy how to vote his shares by completing the blanks on the form of proxy.

Common Shares represented by properly executed proxy forms in favour of the persons designated on the enclosed proxy form will be voted for or withheld from voting in accordance with the instructions made on the proxy forms, on any ballot that may be called for and, if Shareholders specify a choice as to any matters to be acted upon, such Shareholders’ shares shall be voted accordingly. In the absence of such instructions or choices, such shares will be voted in favour of all matters identified in the Notice of Meeting accompanying this Information Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such shares. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

In light of the ongoing public health concerns related to COVID-19 and in order to comply with the measures imposed by the federal and provincial governments, the Corporation is holding the Meeting as a virtual (by electronic means) shareholder meeting only.

VOTING SHARES AND PRINCIPAL HOLDERS OF SHARES

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Class A Redeemable Preferred Shares and an unlimited number of Class B Preferred Shares, issuable in series, all without par value. As of March 31, 2021, **33,511,316** Common Shares and nil preferred shares were issued and outstanding. On all matters to be considered and acted upon at the Meeting, holders of Common Shares are entitled to one vote for each Common Share held.

The Board of Directors (the “**Board**”) has fixed April 15, 2021, as the record date (the “**Record Date**”) for determining which Shareholders are entitled to receive notice of the Meeting. A shareholder of record at the close of business on April 15, 2021, shall be entitled to vote the Common Shares registered in such shareholder’s name on that date, except to the extent that (a) such person transfers his Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Common Shares, and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his name be included on the Shareholders’ list.

To the best of the knowledge of the directors and officers of the Corporation, as at April 15, 2021, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the voting rights of the Corporation except as set out in the table below:

Name and Municipality of Residence	Number of Common Shares	Percentage
George F. Fink Calgary, Alberta	4,558,712	13.6%
Obendorf Entities ⁽¹⁾ San Francisco, California	4,016,152	12.0%

Note:

- (1) Common shares are controlled by William E. Oberndorf that are either owned directly or through entities controlled by Mr. Oberndorf.

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two or more persons either present in person or represented by proxy and representing in the aggregate not less than 25% of the outstanding Common Shares. If a quorum is not present at a meeting within a reasonable time after the time fixed for the holding of the meeting, the Shareholders present or represented at the meeting may adjourn the meeting to a fixed time and place but may not transact any other business.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

1. Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2020 and the report of the auditors thereon will be placed before the Meeting. These financial statements and the auditor's report are contained in the Annual Report which has previously been distributed to Shareholders.

2. Election of Directors

At the Meeting, it is proposed that five persons be elected as directors of the Corporation, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed. There are currently six directors. Pursuant to the *Canada Business Corporations Act*, the current directors of the Corporation cease to hold office at the close of the Meeting.

The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote for the election of the following nominees. Management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

The names and municipalities of residence of the five persons nominated for election as directors of the Corporation by Shareholders, the number of Common Shares of the Corporation beneficially owned or controlled or directed, directly or indirectly, the offices held by each in the Corporation, the period served as director of the Corporation, and the present principal occupation of each (and in the case of a nominee not previously elected at a meeting of Shareholders, the principal occupation of the nominee for the past five years) are as follows:

Name and Municipality of Residence	Common Shares Beneficially Owned or Controlled ⁽¹⁾	Time as Director ⁽⁸⁾	Principal Occupation
George F. Fink Calgary, Alberta Canada	4,558,712 ⁽²⁾	Director since 1998	Chief Executive Officer and Director of the Corporation and Executive Chairman of the Board of Pine Cliff Energy Ltd., an oil and gas issuer.
Rodger A. Tourigny ⁽³⁾⁽⁴⁾⁽⁶⁾ Calgary, Alberta Canada	68,326	Director since 2013	President of Tourigny Management Ltd. (Calgary), a private consulting company, since 1979.
John J. Campbell ⁽⁴⁾⁽⁵⁾⁽⁶⁾ Calgary, Alberta Canada	1,800	Director since 2020	President and Co-Founder of Odyssey Trust Company, a trust company existing under the laws of the of the Loans & Trust Corporations Act (Alberta).
Jacqueline R. Ricci ⁽³⁾⁽⁵⁾⁽⁶⁾ Toronto, Ontario Canada	nil	Director since 2020	Vice President and Director at J. Zechner Associates since 1997. Ms. Ricci is also a Director of Pine Cliff Energy Ltd.

D. Michael G. Stewart⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾
Calgary, Alberta
Canada

nil

Director since 2021

Corporate director. Chair of the Board of the Corporation since March 2021. Director, TC Energy Corporation (oil and gas pipelines) since 2006. Director, Pengrowth Energy Corporation (oil and gas exploration and production) from 2010 to 2020. Director, CES Energy Solutions Corp. (oilfield services) from 2010 to 2019.

Notes:

- (1) The information as to the number of Common Shares beneficially owned or controlled by directors, not being within the knowledge of the Corporation, has been furnished to the Corporation by the individual nominees.
- (2) Mr. Fink serves as Chief Executive Officer of the Corporation and, as at December 31, 2020, the total value of Common Shares held by Mr. Fink was **\$9,867,884**.
- (3) The Audit Committee currently consists of Messrs. Tourigny, Jarock and Stewart and Ms. Ricci.
- (4) The Reserves Committee currently consists of Messrs. Jarock, Campbell, Tourigny and Stewart.
- (5) The Compensation Committee currently consists of Messrs. Campbell, Jarock and Stewart and Ms. Ricci.
- (6) The Governance and Nominating Committee currently consist of Ms. Ricci and Messrs. Campbell, Tourigny and Stewart.
- (7) As Mr. Jarock is not standing for re-election at the Meeting, he will cease to be a member of the Board committees following the Meeting.
- (8) Period includes service as a director of Bonterra Energy Corp. and predecessor corporations.

Majority Voting Policy

The Board has adopted a policy which requires that any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election as a director, in connection with an uncontested election, shall submit his or her resignation to the Board for consideration forthwith following the shareholder annual meeting. The Board shall consider the resignation and determine whether or not to accept the resignation within 90 days of the applicable meeting and a press release shall be issued by the Corporation announcing the Board’s determination. Any director who tenders his or her resignation shall not participate in any meetings to consider whether the resignation shall be accepted. The Board shall accept the resignation absent exceptional circumstances.

Corporate Cease Trade Order or Bankruptcies

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years:

- (a) a director or chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or was subject to an event that resulted, after the proposed director ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) a director or executive officer of any company, including the Corporation, that, while such 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; or

- (c) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold such person's assets.

None of those persons who are proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

At the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in favour of a resolution to appoint the firm of Deloitte LLP, Chartered Professional Accountants, Calgary, Alberta, to serve as auditors of the Corporation until the next annual meeting of shareholders and to authorize the Board of Directors to fix the remuneration of the auditors.

4. Confirmation of Amended and Restated By-Laws

On April 13, 2021, upon the recommendation of the Governance and Nominating Committee, the Board approved an amended and restated By-Law No. 1 of the Corporation in the form set forth in Schedule "B" to this Management Information Circular (the "**Amended By-Laws**"). At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass a resolution (the "**By-Law Resolution**") confirming and approving the Amended By-Laws. In order for the Amended By-Laws to remain in effect following termination of the Meeting, the Amended By-Laws must be confirmed and approved by a simple majority of the votes cast by Shareholders at the Meeting.

The following is only a summary of the amendments that are reflected in the Amended By-Laws and is qualified by reference to the full text of the Amended By-Laws attached as Schedule "B" to this Management Information Circular.

Advance Notice Provisions

The Amended By-Laws include advance notice requirements for the nomination of directors. The advance notice requirements are intended to: (i) facilitate an orderly and efficient process for the election of directors at annual or special meetings of Shareholders; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all director nominees; and (iii) allow Shareholders to make an informed vote on the election of director nominees after having been afforded reasonable time for appropriate deliberation.

The Amended By-Laws provide Shareholders, directors and management of the Corporation with a clear framework respecting the nomination of persons for election as directors. The Amended By-Laws fix a deadline by which Shareholders must submit nominations for election of directors prior to any annual or special meeting of Shareholders and set forth the information that a Shareholder must include in the notice to the Corporation in order for a nominee to be eligible for election as a director.

Among other things, the Amended By-Laws provides that a Shareholder seeking to nominate candidate(s) (a "**Nominating Shareholder**") for election as directors must give timely notice in writing to the

Corporation's Corporate Secretary. To be timely, such notice to the Corporate Secretary of the Corporation must be made:

- (i) in the case of an annual meeting of Shareholders, not less than 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 called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date;
- (ii) 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 also called for other purposes), 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; and
- (iii) notwithstanding the foregoing, in the case of an annual meeting of Shareholders of the Corporation or a special meeting of Shareholders of the Corporation that is not also an annual meeting but is called for the purpose of electing directors (whether or not also called for other purposes) where "notice-and-access" (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy-related materials and the Notice Date is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

The Amended By-Laws prescribe the proper written form for a Nominating Shareholder's notice as well as additional requirements in connection with nominations. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Amended By-Laws. The Board may, in its sole discretion, waive any requirements of the Amended By-Laws.

Quorum

The Amended By-Laws increase the quorum required for the transaction of business at any meeting of the Shareholders from at least two persons holding or representing by proxy not less than five percent (5%) of the outstanding shares of the Corporation entitled to vote at the meeting to at least two persons holding or representing by proxy not less than twenty-five percent (25%) of the outstanding shares of the Corporation entitled to vote at the meeting.

Required Approval

The By-Law Resolution to confirm and approve the Amended By-Laws is set out below. In order for the Amended By-Laws to remain in effect following termination of the Meeting, the By-Law Resolution must be approved by a simple majority of the votes cast by Shareholders, whether in person or by proxy, in respect of the By-Law Resolution at the Meeting.

"BE IT RESOLVED as an ordinary resolution that:

1. the amended and restated By-law No. 1 of the Corporation as set forth in Schedule "B" to, and described in, the management information circular of the Corporation dated April 15, 2021 is hereby confirmed and approved without amendment; and
2. any director or officer of the Corporation is authorized and directed to take all necessary steps and proceedings and to execute, deliver and file any and all declarations,

agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution.”

The Board has determined that approval of the Amended By-Laws is advisable and in the best interest of the Corporation and its Shareholders. Accordingly, the Board recommends a vote FOR the confirmation and approval of the Amended By-Laws. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote FOR the By-Law Resolution.

5. Others Matters to be Acted Upon

Management of the Corporation is not aware of any matters to come before the Meeting, other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

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

The Corporation is not aware of any material interest of any director, executive officer, nominee for election as a director of the Corporation or of any associate or affiliate of any of the foregoing in respect of any matter to be acted on at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any “informed person” (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any such person or proposed nominee in any transaction since the beginning of the most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

No current or former directors, executive officers or employees of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted to the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed financial year.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Governance

The Compensation Committee is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program. As part of its mandate, the Compensation Committee approves the appointment and remuneration of the Corporation's executive officers, including the Named Executive Officers identified in the Summary Compensation Table. The Compensation Committee is also responsible for reviewing the Corporation's compensation policies and guidelines generally. In addition, the Compensation Committee will receive and review recommendations of the Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers.

The Compensation Committee currently consists of Messrs. Campbell, Stewart and Jarock and Ms. Ricci. All of the members of the Compensation Committee are independent within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees*.

All of the members of the Compensation Committee have direct experience that is relevant to their responsibilities in executive compensation, as they have each managed executives and/or business leaders in their current and/or past roles. In these roles, they have participated in compensation planning sessions, made compensation decisions and participated in compensation discussions with external consultants.

No consultants have been hired; however, various studies have been reviewed and also comparatives to peers in similar positions and similar roles have been relied upon.

Compensation Elements

The objective of the executive compensation program is to attract, motivate, reward and retain management talent that is needed to achieve the Corporation's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Compensation Committee gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well as to the qualitative aspects of the individual's performance and achievements.

The executive compensation program is comprised of three principal components: base salaries, a bonus plan and a stock option plan, which are designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives. Each component of the executive compensation program is described below.

Base Salaries

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The base salaries for the executive officers are reviewed annually by the Compensation Committee and are determined by considering the contributions made by the officers, how their compensation levels compare to compensation packages that would be achievable by such officers from other opportunities and commercially available salary survey data. Salaries of the executive officers are not determined based on benchmarks or a specific formula. The Compensation Committee submits its recommendation to the Board to determine the salary of the Chief Executive Officer. The

Compensation Committee considers, and if thought appropriate, approves salaries recommended by the Chief Executive Officer for the other executive officers of the Corporation.

Bonus Plan

The Board, upon the recommendation of the Compensation Committee, approves bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. The payment of bonuses is consistent with the overall objective of the Corporation to reward performance. Up to 100 percent of this bonus money is paid out on a discretionary basis. The Corporation does not have any specific goals to determine individual bonus payments. Management determines the amount to be paid to each employee and it is then presented to the Compensation Committee for approval.

Stock Option Plan

The Corporation has adopted a Stock Option Plan (the "Plan"), pursuant to which options to purchase Common Shares may be granted to directors, officers, employees and consultants of the Corporation. The Plan is designed, through the grant of options, to reward key individuals in relation to their overall contribution and to the appreciation of the Corporation's share price during the term of the options. The Plan is an integral component of the Corporation's total compensation program in terms of attracting and retaining key employees and enhances shareholder value by aligning the interests of executives and employees with share price increases and the growth and profitability of the Corporation. The longer-term focus of the Plan complements and balances the short-term elements of the compensation program of the Corporation.

Pursuant to the Plan, the Board may, on the recommendation of the Compensation Committee, grant from time to time to directors, officers, employees and consultants of the Corporation options to purchase Common Shares. In determining the number of options to be granted to the executive officers, the Compensation Committee considers the amount, terms and vesting levels of existing options held by the officers and also the number of options remaining available for grant by the Corporation in the future to attract and retain qualified technical and administrative staff. Generally, the number of options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of options that have already been granted to the optionee and such other factors as the Compensation Committee may consider relevant.

The Plan reserves for the grant of options 10% of the total number of Common Shares outstanding (on a non-diluted basis). The exercise price of an option is determined at the time of grant and is to be not less than the closing price of the Common Shares on the TSX on the last trading day preceding the date of grant. The term of an option shall not be less than one year and shall not be more than five years from the date of grant. Unless otherwise specified, options vest as to one-third of the entitlement each year following the date of grant. Options are exercisable only during the term of employment or service of an optionee, provided that the exercise period is extended for 120 days in the event of the death of the optionee and ten days in the event of an optionee ceasing to be a director, officer or employee for any reason other than death or termination for cause. In the event of an option expiring during a blackout period then the expiration date of the option is extended to the tenth business day after the expiry of the blackout period. Options are not transferable, except upon death or as authorized by the Board.

The number of Common Shares reserved for issuance to insiders of the Corporation pursuant to options and other security-based compensation arrangements shall not exceed 10% of the total number of Common Shares outstanding. Furthermore, the issuance of Common Shares to insiders of the Corporation pursuant to options and other security-based compensation arrangements shall not exceed or result in the issuance to insiders during a one year period of more than 10% of the total number of Common Shares outstanding,

nor may the issuance to any one such insider and associates of such insider, within a one year period, exceed 5% of the total number of Common Shares outstanding. In addition, the number of Common Shares reserved for issuance to any one person pursuant to options shall not exceed 5% of the total number of Common Shares outstanding.

An optionee may exercise options by payment of the exercise price of the options in cash or the optionee may elect to effect a cashless exercise of any vested and exercisable options whereby the optionee would receive, without any cash payment (other than amounts due in respect of taxes), a number of Common Shares determined by dividing the in-the-money value of the options by the market price of the Common Shares.

The Board may amend the Plan and may amend the terms and conditions of options granted pursuant to the Plan, without shareholder approval, provided that the amendment does not change the number of options issuable under the Plan, change the class of eligible participants, change the amending provisions of the Plan, reduce the exercise price of options held by insiders or extend the term of options held by insiders. Amendments are subject to any required approval of any regulatory authority or stock exchange.

As at December 31, 2020, there were 2,426,700 options outstanding, representing 7.2% of the Common Shares outstanding as of that date and 924,432 Common Shares representing 2.8% of the outstanding Common Shares available for further option grants. No Common Shares were issued during 2020 on exercise of options. The Corporation granted an aggregate of 1,073,000 options in 2018, 60,000 options in 2019 and 2,373,200 options in 2020. Accordingly, the Corporation's annual option grant burn rate, calculated by dividing the number of options granted under the Plan during the relevant fiscal year by the weighted average number of Common Shares outstanding for the applicable fiscal year, was 3.2% in 2018, 0.2% in 2019 and 7.1% in 2020.

Risks Associated with Compensation Policies and Practices

The oversight and administration of the Corporation's executive compensation program requires the Compensation Committee to consider risks associated with the Corporation's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at annual reviews and also throughout the year whenever it is deemed necessary by the Compensation Committee.

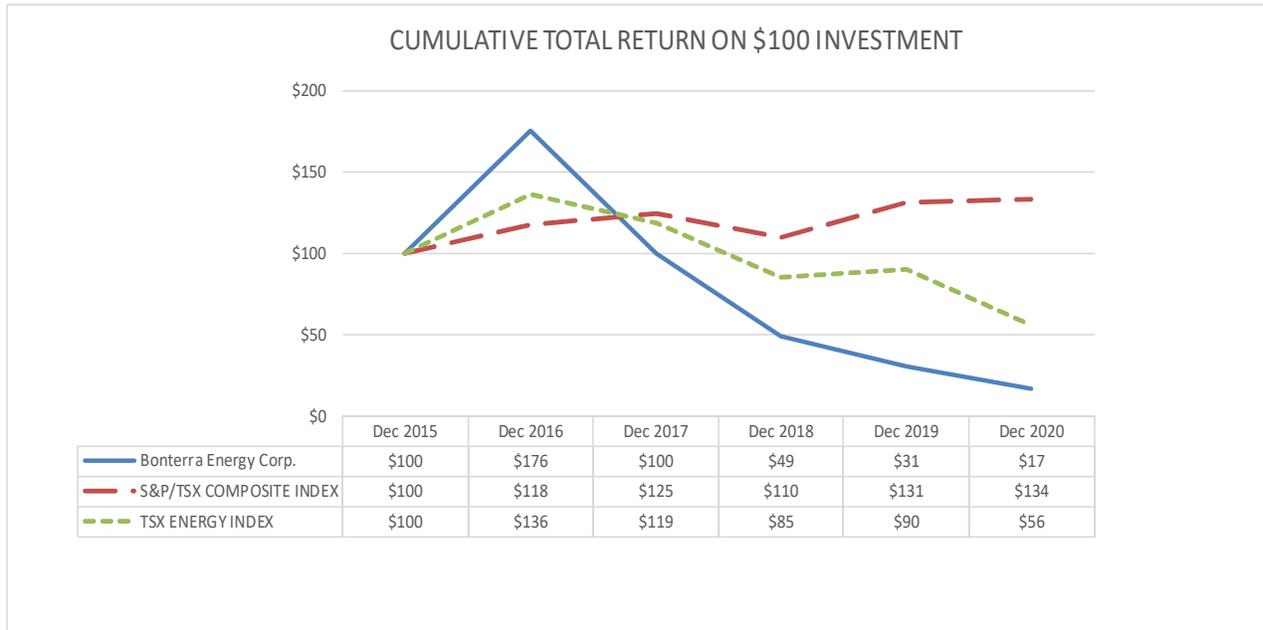
The Corporation's executive compensation policies and practices are intended to align management incentives with the long-term interests of the Corporation and its shareholders. In each case, the Corporation seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include (i) financial controls that impose limits and require approvals in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation; (ii) balancing base salary and variable compensation elements; (iii) spreading compensation across short and long-term programs; (iv) limiting bonuses to a pre-determined percentage of pre-income tax profit; and (v) vesting of stock options over a period of years.

Financial Instruments

The Corporation has a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Performance Graph

The following graph compares the yearly percentage change in the cumulative shareholder return over the last five years of the Common Shares of the Corporation (assuming a \$100 investment was made on December 31, 2015 and the reinvestment of all dividends into Common Shares of the Corporation) and the cumulative total return of the S&P/TSX Composite Index and the TSX Energy Index.



Total Shareholder Return (TSR) and Its Relationship to Executive Compensation

Executive compensation is defined as the aggregate of base salary, annual bonuses (if any), stock options, and any other miscellaneous types of benefits that may periodically be granted to an executive. The total compensation of executive officers did not change significantly during the period disclosed in the Summary Compensation Table. When the Compensation Committee of the Board determines overall compensation, it considers a number of factors and performance elements. Although TSR is one performance measure that is reviewed, it is not the only consideration. As a result, a direct correlation between TSR over a given period and executive compensation levels is not anticipated.

Process for Granting Option-Based Rewards

The process that the Corporation uses to grant option-based awards to executive officers, including the Named Executive Officers, is for the Board to approve option grants based on recommendations made by the Compensation Committee. Option grants can be made at any time and there are no specific periods for the issuance of options. Option awards are determined based on the factors described above under the heading “*Compensation Elements - Stock Option Plan*”.

Summary Compensation Table

The following table sets forth a summary of all compensation for services paid during the three most recently completed financial years for George F. Fink, Chief Executive Officer, Robb D. Thompson, Chief Financial Officer and Corporate Secretary, Adrian Neumann, Chief Operating Officer, and Brad A. Curtis, Senior Vice President, Business Development (the “**Named Executive Officers**”). No other executive officer received total compensation of more than \$150,000 during the most recently completed financial year.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
George F. Fink, Chief Executive Officer	2020	318,250	nil	38,367 ⁽¹⁾	45,000	nil	nil	nil	401,617
	2019	307,500	nil	nil	67,000	nil	nil	nil	374,500
	2018	280,000	nil	69,439 ⁽²⁾	51,500	nil	nil	nil	400,939
Robb D. Thompson, Chief Financial Officer and Secretary	2020	335,000	nil	38,367 ⁽¹⁾	45,000	nil	nil	nil	418,367
	2019	307,500	nil	nil	67,000	nil	nil	nil	374,500
	2018	280,000	nil	69,439 ⁽²⁾	51,500	nil	nil	nil	400,939
Adrian Neumann, Chief Operating Officer	2020	335,000	nil	38,367 ⁽¹⁾	45,000	nil	nil	nil	418,367
	2019	307,500	nil	nil	67,000	nil	nil	nil	374,500
	2018	280,000	nil	69,439 ⁽²⁾	51,500	nil	nil	nil	400,939
Brad A. Curtis, Senior Vice President, Business Development	2020	297,000	nil	38,367 ⁽¹⁾	41,000	nil	nil	nil	376,367
	2019	272,250	nil	nil	62,000	nil	nil	nil	334,250
	2018	245,000	nil	69,439 ⁽²⁾	48,500	nil	nil	nil	362,939

Notes:

- (1) Represents the compensation value of options granted on February 19, 2020 and December 8, 2020. The options granted on February 19, 2020 were issued in two equal tranches, both based on a share price of \$3.14 and for December 8, 2020 option grant value is based on a share price of 1.67. The options have a weighted average Black-Scholes volatility of 88%. The option grant compensation value reflects a weighted average 1.2 year life as well as assumptions for risk-free rate and dividend yield.
- (2) Represents the compensation value of options granted on December 21, 2018. The option grant value is based on a share price of \$5.93 and a Black-Scholes volatility factor of 47%. The option grant compensation value reflects an average 1.0 year life as well as assumptions for risk-free rate and dividend yield.
- (3) The value of perquisites and benefits for each Named Executive Officer is less than 10% of each Named Executive Officer’s total salary for the financial year.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2020 to the Named Executive Officers of the Corporation.

Option-based Awards						
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options⁽¹⁾ (\$)		
George F. Fink	40,000	3.14	Feb. 18/2022	nil		
	40,000	3.14	Feb. 18/2023	nil		
	100,000	1.67	Dec. 8/2022	50,000		
Robb D. Thompson	40,000	3.14	Feb. 18/2022	nil		
	40,000	3.14	Feb. 18/2023	nil		
	100,000	1.67	Dec. 8/2022	50,000		
Adrian Neumann	40,000	3.14	Feb. 18/2022	nil		
	40,000	3.14	Feb. 18/2023	nil		
	100,000	1.67	Dec. 8/2022	50,000		
Brad A. Curtis	40,000	3.14	Feb. 18/2022	nil		
	40,000	3.14	Feb. 18/2023	nil		
	100,000	1.67	Dec. 8/2022	50,000		

Note:

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the TSX on December 31, 2020 of \$2.17.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2020 in respect of option-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

Name	Option-based awards- Value vested during the year (\$)⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
George F. Fink	nil	nil	45,000
Robb D. Thompson	nil	nil	45,000
Adrian Neumann	nil	nil	45,000
Brad A. Curtis	nil	nil	41,000

Note:

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the TSX on the vesting dates.

Gains Realized upon Exercise of Stock Options

No options were exercised during the financial year ended December 31, 2020.

Termination and Change of Control Benefits

The Corporation has entered into employment agreements with each of the Named Executive Officers. The employment agreements provide for certain payments to be made by the Corporation to the Named Executive Officers in the event of: (i) termination of the Named Executive Officer's employment by the Corporation without cause ("**Termination without Cause**"); or (ii) termination of employment by the Named Executive Officer within 60 days of certain significant changes in the Named Executive Officer's duties and responsibilities, compensation or location of employment or a breach by the Corporation of its obligations pursuant to the employment agreement ("**Termination for Good Reason**"). In addition, the employment agreements include non-solicitation restrictions which restrict Named Executive Officers from soliciting employees, consultants or officers of the Corporation to become engaged in any capacity with a competing business for a period of 12 months following termination of the Named Executive Officer.

In the event of Termination without Cause, the officer is entitled to payment of an amount equal to his monthly salary (plus 12.5% on account of lost benefits) for a specified notice period less the number of months, if any, of working notice provided to the officer plus an amount equal to the average cash bonus paid to the officer in each of the last two calendar years. In the event of Termination for Good Reason, the officer is entitled to payment of an amount equal to his monthly salary (plus 12.5% on account of lost benefits) for a specified notice period plus an amount equal to the average cash bonus paid to the officer in each of the last two calendar years. In the case of Mr. Fink the specified notice period for which the monthly salary plus benefits are payable is 24 months and in the case of Messrs. Thompson, Neumann and Curtis, the specified notice period is 22 months.

The following table sets forth the amounts that would have been payable to each of the Named Executive Officers as of December 31, 2020 under the employment agreements in the case of the two different triggering events.

Name of Director	Triggering Event	(\$)
George F. Fink	Termination without Cause ⁽¹⁾	\$809,750
	Termination for Good Reason	\$809,750
Robb D. Thompson	Termination without Cause ⁽¹⁾	\$746,937
	Termination for Good Reason	\$746,937
Adrian Neumann	Termination without Cause ⁽¹⁾	\$746,937
	Termination for Good Reason	\$746,937
Brad A. Curtis	Termination without Cause ⁽¹⁾	\$664,062
	Termination for Good Reason	\$664,062

Note:

(1) Assumes that the Corporation elects to pay the officer the applicable termination payment without any period of working notice.

In addition, the Stock Option Plan provides for the exercise of unvested options in the event of a change of control of the Corporation. The value of unvested options held by each of the Named Executive Officers at December 31, 2020 (based on the closing price of the Common Shares on the TSX on December 31, 2020) was \$200,000.

Director Compensation for Directors who are Not Named Executive Officers of the Corporation

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors during the Corporation's financial year ended December 31, 2020. As Mr. Fink was a Named Executive Officer during the year, his respective disclosure with respect to fees earned (if any) and option-based awards is included in the above sections.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John J. Campbell	50,069	nil	89,100	nil	n/a	nil	139,169
Randy M. Jarock	46,250	nil	20,000	nil	n/a	nil	66,250
Jacqueline R. Ricci	50,069	nil	89,100	nil	n/a	nil	139,169
Rodger A. Tourigny	76,250	nil	20,000	nil	n/a	nil	96,250

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2020 to the directors of the Corporation.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
John J. Campbell	30,000	1.18	Dec. 20/22	29,700
	30,000	1.18	Dec. 20/21	29,700
	30,000	1.18	Dec. 20/20	29,700
Randy M. Jarock	14,000	3.14	Feb. 18/22	nil
	14,000	3.14	Feb. 18/23	nil
	40,000	1.67	Dec. 8/22	20,000
Jacqueline R. Ricci	30,000	1.18	Dec. 20/22	29,700
	30,000	1.18	Dec. 20/21	29,700
	30,000	1.18	Dec. 20/20	29,700
Rodger A. Tourigny	14,000	3.14	Feb. 18/22	nil
	14,000	3.14	Feb. 18/23	nil
	40,000	1.67	Dec. 8/22	20,000

Note:

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the TSX on December 31, 2020 of \$2.17.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation’s financial year ended December 31, 2020 of option-based awards, share-based awards and non-equity incentive plan compensation for directors of the Corporation.

Name	Option-based awards- Value vested during the year (\$)⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John J. Campbell	nil	nil	nil
Randy M. Jarock	nil	nil	nil
Jacqueline R. Ricci	nil	nil	nil
Rodger A. Tourigny	nil	nil	nil

Note:

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation’s Common Shares on the TSX on the vesting dates.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2020, equity securities are authorized for issuance as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders – Stock Option Plan	2,426,700	\$2.63	924,432 ⁽¹⁾
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,426,700	\$2.63	924,432

Note:

- (1) The Plan reserves for issuance a maximum of 10% of the **33,511,316** Common Shares outstanding at December 31, 2020.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to include in this Management Information Circular the disclosure required under Form 58-101F1 with respect to the matters set out under National Policy 58-201 *Corporate Governance Guidelines*.

Board of Directors

The Board is responsible for supervising the management of the business and affairs of the Corporation and is currently comprised of six directors, of which five are independent. The independent directors are John

J. Campbell, Randy M. Jarock, Jacqueline R. Ricci, D. Michael G. Stewart and Rodger A. Tourigny. The Chief Executive Officer of the Corporation, George F. Fink, is not independent by virtue of being a member of the Corporation's management. Mr. Jarock is not standing for re-election as a director at the meeting. Some of the Corporation's current directors serve as directors of other reporting issuers as indicated in the table below.

<u>Director</u>	<u>Directorships Held</u>
John J. Campbell	Haw Capital 2 Corp MYND Life Sciences Inc. True North Trust Company
George F. Fink	Pine Cliff Energy Ltd.
Randy M. Jarock	Pine Cliff Energy Ltd.
Jacqueline R. Ricci	J. Zechner Associates Pine Cliff Energy Ltd.
D. Michael G. Stewart	TC Energy Corporation

At the end of each meeting of the Board, the independent directors meet without management to consider any matters arising from the meeting or otherwise that require consideration or discussion among the independent directors. There were twenty such meetings held since the beginning of the last completed financial year.

The Board has appointed D. Michael G. Stewart, an independent director, Chair of the Board. The primary responsibilities of the Chair of the Board are to serve as the Board's role model for responsible, ethical and effective decision making, provide leadership to the independent directors, to manage the affairs of the Board to ensure the Board is organized properly and functions effectively and to take reasonable steps to ensure that the members of the Board execute their duties pursuant to the Mandate of the Board.

Mr. Campbell and Ms. Ricci attended all sixteen scheduled Board meetings and their respective committee meetings since joining the Board in May, 2020. Except for Mr. Tourigny not attending one scheduled Board meeting and excluding Mr. Stewart who was appointed to the Board in March 2021, all the other directors attended all twenty scheduled meetings of the Board, as well as their respective committee meetings.

Board Mandate

The Mandate of the Board (the "**Board Mandate**") is to plan the Corporation's long-term objectives and goals on a continuous basis. The Board Mandate is attached hereto as Schedule "A".

Board Committees

The Board has established the following Board Committees comprised of the members set out in the following table. As Mr. Jarock is not standing for re-election at the Meeting, he will cease to be a member of the Board committees following the Meeting.

<u>Committee</u>	<u>Members</u>	<u>Independent</u>
Audit Committee	Randy M. Jarock	Yes
	Jacqueline R. Ricci	Yes
	D. Michael G. Stewart	Yes
	Rodger A. Tourigny – Chair	Yes
Compensation Committee	John J. Campbell - Chair	Yes
	D. Michael G. Stewart	Yes
	Randy M. Jarock	Yes
	Jacqueline R. Ricci	Yes
Governance and Nominating Committee	John J. Campbell	Yes
	Jacqueline R. Ricci - Chair	Yes
	Rodger A. Tourigny	Yes
	D. Michael G. Stewart	Yes
Reserves Committee	John J. Campbell	Yes
	Randy M. Jarock - Chair	Yes
	Rodger A. Tourigny	Yes
	D. Michael G. Stewart	Yes

The function of the Governance and Nominating Committee is to recommend governance policies for adoption by the Corporation, to amend, administer and monitor compliance with the Corporation's governance policies and to identify and recommend candidates for election to the Board. The function of the Reserves Committee is to recommend the engagement of a reserves evaluator, ensure the reserves evaluator's independence, review the procedures for disclosure of reserves evaluation, meet independently with the reserves evaluator to review the scope of the annual review of reserves, discuss findings and disagreements with management, annually assess the work of the reserves evaluator and approve the Corporation's annual reserve report and consent forms of management and the reserves evaluator thereto.

Position Descriptions

The position descriptions are as follows:

Board of Directors and Committee Chairs

The Board is responsible for the overall direction of the Corporation. Its role is to guide the Corporation and set objectives that will best serve the interests of the Shareholders. The Board meets or has conference call meetings at least four times per year. Each Committee meets a minimum number of times per year as required to conduct its respective duties. Agendas are provided to all directors in advance of all meetings and are generally prepared by management and are discussed with Board members who are responsible for particular items with regard to the agenda.

The Chair of the Board is responsible for setting the agenda for each Board meeting and the Chairs of the Committees are responsible for setting the agenda for each of their respective Committee meetings. The

Chair of each Committee reports to the Board following each Committee meeting. Minutes of each Board and Committee meeting are executed and copies are provided to the full Board. The Board and Committees continue to establish key goals to provide focus to their core responsibilities on an ongoing basis.

The Board and each Committee can meet independently of management at any time and are encouraged to do so whenever a member deems it is warranted. The Board and each Committee also have the authority to engage independent advisors, paid for by the Corporation, to provide it with expert advice.

Currently the Board consists of five independent directors and one director who is not independent. The term for each director and each Committee Chair is for one year. The Chair of the Board is responsible for providing leadership to the Board in the governance of the Corporation, overseeing all aspects of Board direction and administration, overseeing the communication of management strategy and plans to the Board and ensuring that the Board receives regular updates from management on matters that are important to the future of the Corporation. The main responsibility of the Chairs of the respective Committees as outlined above is to assess the requirements of the specific Committee on an ongoing basis and to communicate these requirements to the full Board.

Each Board member is evaluated informally each year by all of the other Board members and formally by all of the Shareholders in that they are required to be elected each year by the Shareholders.

CEO Position

The Chair of the Governance and Nominating Committee sets goals and objectives each year for the CEO by providing guidance through approval of formal documents and informal discussions with Board members and Committee members including the CEO. The independent directors evaluate the CEO's performance at least annually. For a detailed analysis of the CEO's compensation for 2020, please see "*Statement of Executive Compensation*" above.

Orientation and Continuing Education

The Corporation has developed an orientation program, administered by the Governance and Nominating Committee, for new directors which provide each new director with all applicable information regarding the roles and responsibilities of the Board, each Committee, the Board Chair, Chair of each Committee and the CEO. It provides information regarding the nature and operation of the Corporation's business, its organizational structure, governance policies including the Board Mandate and each Committee Mandate, the Whistle Blower Policy and the Code of Business Conduct, which is available on SEDAR at www.sedar.com and the Corporation's Disclosure Policy. The information is updated as the Corporation's business, governance documents and policies change.

The Corporation arranges for presentations to be made to the Board and each Committee of the Board to inform directors regarding corporate developments and changes in legal, regulatory and industry requirements affecting the Corporation. As well, directors are encouraged to visit the Corporation's facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Corporation. The Corporation encourages its Board and Committee members to continue to educate themselves through courses and discussions that will be paid for by the Corporation to ensure that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Ethical Business Conduct

The Corporation has adopted a written Code of Business Conduct (the "**Code**"). The Governance and Nominating Committee takes reasonable steps to monitor compliance with the Code by requiring employees, on the commencement of their employment and as and when directed by management, to sign

a copy of the Code acknowledging that they have read, understood and will comply with the Code. The Code applies to the Corporation's directors, executive officers, management, employees and consultants, each of whom is expected to ensure that his or her behaviour accords with the letter and the spirit of the Code. The Code also encourages all parties who engage in business with the Corporation to report any perceived and all actual breaches of the Code in accordance with the Corporation's Whistle Blower Policy. The Chair of the Committee is responsible for investigating complaints, presenting complaints to the Committee and any other applicable Committee of the Board or the Board as a whole, and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the Chair of the Committee will advise the complainant of the corrective measures that have been taken or advise the complainant that the complaint has not been substantiated. The Code prohibits retaliation by the Corporation, its directors, executive officers and management, against complainants who raise concerns in good faith and requires the Corporation to maintain the confidentiality of complainants to the greatest extent practicable. Complainants may also submit their concerns anonymously in writing. However, complaints that in the future are determined to be inaccurate or untruthful could result in suspension or dismissal.

In addition to the Code, the Corporation has an Audit Committee Charter regarding the collection and dissemination of accounting information, and a Whistle Blower Policy with respect to reporting accounting and auditing irregularities, as well as other corporate misconduct and breaches of the Code. Copies of these documents are available on the Corporation's website.

Since the beginning of the most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Exercise of Independent Judgment

The Board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and are expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The Board is required by the Board Mandate to satisfy itself that the CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Corporation.

The Governance and Nominating Committee is responsible for reviewing departures from the Code by executive officers, management, employees and consultants, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. The Board as a whole is responsible for responding to conflict of interest situations involving directors, particularly with respect to existing or proposed transactions and agreements in respect of which directors advise they have a material interest.

Conflicts of Interest

The Board Mandate requires: (1) that directors and officers disclose any material interest in any transaction or agreement with the Corporation; (2) that an individual director, if requested by himself or by the Board, excuse himself or herself from Board deliberations; and (3) that directors do not vote in respect of transactions in which they have an interest. The Corporation's directors and officers must also abide by the disclosure of conflict of interest provisions contained in the *Canada Business Corporations Act*. By taking these steps, the Board strives to ensure that directors at Board meetings exercise independent judgment, unclouded by the relationships of the directors and officers to each other and the Corporation, in considering transactions and agreements in respect of which directors and executive officers have an interest.

Director Nomination

Responsibility for identifying new candidates to join the Board belongs to the Governance and Nominating Committee. The Governance and Nominating Committee is comprised entirely of independent directors. This Committee is responsible for identifying qualified candidates, recommending nominees for election as directors, and appointing directors to Committees. The Committee is required to consider a candidate's independence, financial acumen, skills, experience, background and available time to devote to the duties of the Board in making their recommendations for nomination. The Committee reviews the composition and size of the Board and tenure of directors in advance of annual general meetings when directors are most commonly elected by the Corporation's Shareholders, as well as when individual directors indicate that their terms may end or that their status may change.

In addition, the Governance and Nominating Committee is empowered to recommend candidates to fill any vacancy in the Board that arises between annual meetings. Subject to the Articles of the Corporation, the Governance and Nominating Committee also has the authority to recommend the appointment of additional directors between annual meetings.

Compensation

The Compensation Committee annually recommends the compensation to be received by the Corporation's directors and CEO and evaluates the proposed compensation to be received by the executive officers and management. The Compensation Committee is comprised entirely of independent directors. The CEO, who is also a director, does not participate in any Board discussions with regard to compensation issues that pertain to him. Compensation is determined in the context of the Corporation's goals, shareholder returns and other achievements, and considered in the context of position descriptions, goals and the performance of each individual director and officer. With respect to directors' compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each Committee, and the Chair of the Board and each Committee, considering the duties and responsibilities of each member, his or her past service and continuing duties in service to the Corporation.

Director Assessment

The Governance and Nominating Committee is responsible for conducting an informal annual evaluation and assessment of the performance, contribution and effectiveness of individual directors, each Committee and the Board as a whole. The annual review also asks directors to provide feedback on the Corporation's Board and Committee Mandates, the Code and all of its policies. The Governance and Nominating Committee discusses the information gathered pursuant to the annual assessment, the results of which are then presented to the Board in order to engage in a discussion regarding Board effectiveness and how it may be improved.

Term Limits

The Board has not adopted term limits for Board members, mandatory retirement policies or other mechanisms of Board renewal. However, the Governance and Nominating Committee has a process in place for the annual review of the performance of individual directors, the Board as a whole and the Board Committees. Through this annual review process, the Governance and Nominating Committee determines whether an individual director is able to continue to make an effective contribution and recommend changes when appropriate. The Board is of the view that a regular review process is more effective than arbitrary term limits or other mechanisms of Board renewal such as a mandatory retirement age. The Governance and Nominating Committee also has the mandate and responsibility for annually reviewing the composition, skills and tenure of directors in advance of annual meetings of shareholders and whenever individual directors indicate that their status as members may change.

Representation of Designated Groups on the Board and in Executive Officer Positions

Policies Regarding Representation of Designated Groups on the Board

The Corporation has adopted a written diversity policy that is intended to promote diversity on the Board and includes policies relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities and members of visible minorities (collectively, “**Designated Groups**”) to serve as directors. In the diversity policy and this Information Circular, Aboriginal peoples, persons with disabilities and members of visible minorities have the meaning given in the *Employment Equity Act* (Canada). The Governance and Nominating Committee recommended, and the Board approved the diversity policy in recognition that diversity among the Corporation’s directors supports balanced consideration of matters and fulsome debate, which enhances decision making and maximizes shareholder value. The policy provides that, although the Corporation remains committed to a merit-based system for Board composition, the Governance and Nominating Committee will seek to achieve an appropriate level of diversity on the Board by having regard to the differing skills, experience, education, gender, age, ethnicity and cultural background of Board members.

To ensure the Corporation taps into a broad pool of the best qualified individuals, an external search firm may be retained to help identify future openings for new directors with the mandate that the pool must take diversity into account, in addition to the other attributes desired. Any search, whether executed by an outside executive search firm or through an internal process, is directed to include a diverse set of candidates, including members of Designated Groups, in its list of potential nominees presented to the Board for its consideration. The final decision will be based on merit and the contribution that the chosen candidate brings to the Board.

The Governance and Nominating Committee measures the effectiveness of the policy by reviewing the number of members of Designated Groups considered or brought forward for Board positions and the skills, background and experience of such candidates to ensure they are being fairly considered relative to other candidates.

Consideration of the Representation of Designated Groups in the Director Identification and Selection Process

The Governance and Nominating Committee considers the skills, experience and background that would enhance the overall effectiveness of the Board and seeks candidates that are anticipated to bring those qualities to the Board. The representation of members of Designated Groups is one of many criteria that is considered, however a candidate’s skills and experience are the primary criteria. For more information on the director identification and selection process, please refer to “Director Nomination”.

Consideration Given to the Representation of Designated Groups in Executive Officer Appointments

Executive appointments at Bonterra are determined based on merit and qualifications relevant for the specific role. Consideration is given to a broad range of skills, background and experience. Diversity is considered; however, the ultimate decision is determined based on the best candidate for the role. The representation of members of Designated Groups and the benefit of diversity are among many factors that are considered in assessing the contribution of an executive officer.

Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer Positions

Bonterra has not adopted a specific target regarding the number of members of Designated Groups on the Board and in executive officer positions as the representation of members of Designated Groups and the benefits of diversity are among many factors that are considered in assessing the potential contribution of a prospective director or executive officer.

Number of members of Designated Groups on the Board and in Executive Officer Positions

The Corporation currently has one member of the Board (16%) that is a woman and no members of any other Designated Groups (nil percent) on the Board. The Corporation does not currently have any members of Designated Groups (nil percent) in executive officer positions.

AUDIT COMMITTEE INFORMATION

Under National Instrument 52-110 *Audit Committees*, the Corporation is required to include in its Annual Information Form (“**AIF**”) the disclosure required under Form 52-110F1 with respect to its Audit Committee, including the text of its Audit Committee charter, the composition of the Audit Committee and the fees paid to the external auditor. The Corporation’s disclosure with respect to the foregoing is contained in the section of its AIF dated March 9, 2021 entitled “Audit Committee”. A copy of the AIF has been filed on SEDAR at www.sedar.com. Copies of the AIF are also available free of charge upon written request to the Corporation at Suite 901, 1015 - 4th Street S.W., Calgary, Alberta, Attention: Chief Financial Officer.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis (“**MD&A**”) for the year ended December 31, 2020. Copies of the Corporation’s financial statements and MD&A are available on written request to the Corporation at Suite 901, 1015 - 4th Street S.W., Calgary, Alberta T2R 1J4, Attention: Chief Financial Officer.

Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

SCHEDULE “A”

MANDATE OF THE BOARD OF DIRECTORS OF BONTERRA ENERGY CORP. (THE “CORPORATION”)

The primary responsibility of the Board of Directors is to supervise the management of the Corporation to ensure the long term success of the Corporation and to maximize shareholder value. Any responsibility which has not been delegated to management remains with the Board of Directors of the Corporation (the “Board”).

COMPOSITION

The Board shall be composed of a minimum of three Directors and a maximum of fifteen Directors. Except as set out in the By-Laws of the Corporation, Board members will be elected at the annual meeting of the shareholders and will serve until their successors are duly appointed. A majority of the Directors will be independent. All members of the Board of Directors shall have the skills and abilities required to carry out their duties and responsibilities in the most effective manner. The Board of Directors shall endeavour to always have the right mix of experience and competencies to discharge its responsibilities.

MEETINGS

The Board of Directors meets or has conference call meetings at least four times per year, and as deemed necessary in order to carry out its duties effectively. The Board of Directors shall also retain independent advice, if deemed necessary, which will be paid for by the Corporation.

DUTIES AND RESPONSIBILITIES

The Board of Directors is charged with the overall stewardship of the Corporation and manages or supervises the business of the Corporation and its management. The Board of Directors’ responsibilities include:

1. Management Selection, Retention and Succession

- Select, appoint and if necessary terminate the CEO
- Approve the list of directors standing for election, as recommended by the Governance and Nominating Committee
- Review its charter annually and recommend changes to the Board of Directors when necessary
- Annually appoint directors to the following committees:
 - the Audit Committee
 - the Governance and Nominating Committee
 - the Compensation Committee
 - the Reserves Committee

and delegate to such committees’ specific responsibilities, pursuant to their respective mandate, as approved by the Board of Directors

- At the Board's discretion, appoint any other Board committees that the Board decides are needed and delegate to such committees' specific responsibilities, pursuant to their respective mandate, as approved by the Board
- Approve compensation and compensation programs for senior management, as recommended by the Compensation Committee
- Assess the CEO against corporate objectives approved by the Board
- Assess, annually, the effectiveness and the performance of the Board, committees and directors in fulfilling their responsibilities
- Approve director's compensation, as recommended by the Compensation Committee

2. Strategy

- Review and approve the corporate objectives developed by the CEO
- Review, adopt and monitor the Corporation's strategic planning process
- Monitor the Corporation's performance in light of the approved strategic planning process
- Adopt, annually, a strategic planning process to maximize shareholder value

3. Disclosure

- Approve the Corporation's policy on public disclosure
- Ensure that written and oral communications to the public, legal and regulatory authorities and stock exchanges are timely, factual and accurate, do not contain any misrepresentations and are broadly disseminated
- Review disclosure controls and procedures and monitor the effectiveness of disclosure controls and procedures

4. Corporate Ethics and Integrity

- Review and monitor the Corporation's Code of Business Conduct and disclose any waivers of the code for officers and directors
- Review and respond to potential conflict of interest situations
- Ensure policies and processes are in place for the identification of principal business risks and review and approve risk management strategies
- Approve corporate policies and other corporate protocols and controls
- Review, annually, its mandate and amend as deemed necessary

5. Financial Responsibilities

- Approve the annual financial statements of the Corporation as recommended by the Audit Committee
- Approve the quarterly interim financial statements of the Corporation, as recommended by the Audit Committee
- Recommend to the shareholders the appointment of the Corporation's external auditors, as recommended by the Audit Committee
- Review and approve the Corporation's operating budget
- Review, as deemed necessary, approval authorities to the CEO and senior management
- Approve financial commitments in excess of delegated approval authorities
- Review and approve any material acquisitions, divestments, and corporate reorganizations
- Assess and approve any material securities offerings, financing or banking arrangements

TIMETABLE

The Board's work schedule will be conducted on an ongoing basis to serve the requirements of applicable regulations.

SCHEDULE “B”

AMENDED AND RESTATED BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs
of
BONTERRA ENERGY CORP.

CONTENTS

Section 1	- Interpretation
Section 2	- Business of the Corporation
Section 3	- Borrowing and Securities
Section 4	- Directors
Section 5	- Committees
Section 6	- Officers
Section 7	- Protection of Directors, Officers and Others
Section 8	- Shares
Section 9	- Dividends and Rights
Section 10	- Meetings of Shareholders
Section 11	- Divisions and Departments
Section 12	- Notices
Section 13	- Effective Date

BE IT ENACTED as a by-law of the Corporation as follows:

SECTION 1
INTERPRETATION

1.01 **Definitions** - In the by-laws of the Corporation, unless the context otherwise requires:

“**Act**” means the *Canada Business Corporations Act* and any statute that may be substituted therefor, as from time to time amended;

“**appoint**” includes “**elect**” and vice versa;

“**articles**” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival and includes an amendment to any of them;

“**Board**” means the board of directors of the Corporation;

“**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“**Corporation**” means Bonterra Energy Corp.

“**meeting of shareholders**” means an annual meeting of shareholders and a special meeting of shareholders;

“**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada) and any statute that may be substituted therefor, as from time to time amended;

“**recorded address**” means in the case of a shareholder his address as recorded in the securities register of the Corporation; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the Board, his latest address as recorded in the records of the Corporation;

“**Regulations**” means the regulations made under the Act, as amended, restated or in effect from time to time;

“**signing officer**” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.02 or by a resolution passed pursuant thereto;

“**special meeting of shareholders**” means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and

“**unanimous shareholder agreement**” means an otherwise lawful written agreement among all of the shareholders of the Corporation or among all such shareholders and one or more persons who are not shareholders, or a written declaration of the beneficial owner of all of the issued shares of the Corporation, that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the Corporation, as from time to time amended;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION 2

BUSINESS OF THE CORPORATION

2.01 **Registered Office** - Until changed in accordance with the Act, the registered office of the Corporation shall be in the province in Canada specified in its articles and at such location therein as the Board may from time to time determine.

2.02 **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one director or officer of the Corporation, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

2.03 **Banking Arrangements** - The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.04 **Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.05 **Withholding Information from Shareholders** - Subject to the provisions of the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the Board, would be inexpedient in the interests of the shareholders or the Corporation to communicate to the public. The Board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any account, record or document of the Corporation except as conferred by the Act or authorized by the Board or by resolution passed at a general meeting of shareholders.

SECTION 3 **BORROWING AND SECURITIES**

3.01 **Borrowing Power** - Without limiting the borrowing powers of the Corporation as set forth in the Act, the articles, the by-laws or any unanimous shareholder agreement, the Board may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;

- (c) subject to the provisions of the Act give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create an interest in or charge upon all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 **Delegation** - The Board may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the Board all or any of the powers conferred on the Board by section 3.01 or by the Act to such extent and in such manner as the Board shall determine at the time of each such delegation.

SECTION 4 **DIRECTORS**

4.01 **Number of Directors and Quorum** - Until changed in accordance with the Act, the Board shall consist of not fewer than the minimum number and not more than the maximum number of directors as set out in the articles. Subject to section 4.08, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then elected or appointed, or such greater or lesser number of directors as the Board may from time to time determine.

4.02 **Qualification** - No person shall be qualified for election as a director if he (i) is less than 18 years of age; (ii) is of unsound mind and has been so found by a court in Canada or elsewhere; (iii) is not an individual; or (iv) has the status of a bankrupt. Subject to the articles, a director need not be a shareholder. At least one-quarter of the directors must be resident Canadians.

4.03 **Election and Term** - The election of directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors or the shareholders otherwise determine. The election shall be by ordinary resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 **Removal of Directors** - Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the directors.

4.05 **Vacation of Office** - A director ceases to hold office when he dies; he is removed from office by the shareholders; he ceases to be qualified for election as a director; or his written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 **Vacancies** - Subject to the Act, the articles and any unanimous shareholders agreement, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or the minimum or maximum number of directors or from a failure of the shareholders to elect the minimum number of directors. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of directors, the Board shall forthwith call a

special meeting of shareholders to fill the vacancy. If the Board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting.

4.07 **Action by the Board** - Subject to any unanimous shareholder agreement, the Board shall manage or supervise the management of the business and affairs of the Corporation. Subject to sections 4.08 and 4.09, the powers of the Board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed in part or in counterpart by all the directors entitled to vote on that resolution at a meeting of the Board. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute the meeting.

4.08 **Residence** - Unless otherwise permitted by the Act, the Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless at least one-quarter of the directors present are resident Canadians, except where:

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of resident Canadian directors present at the meeting together with any resident Canadian director who gives his approval under clause (a), totals at least one-quarter of the directors present at the meeting.

4.09 **Meetings by Telephone** - If all the directors consent, a director may participate in a meeting of the Board or of a committee of the Board by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a director holds office.

4.10 **Place of Meetings** - Meetings of the Board may be held at any place in or outside Canada.

4.11 **Calling of Meetings** - Meetings of the Board shall be held from time to time and at such place as the Board, the chairman of the Board, the managing director, the president or any two directors may determine.

4.12 **Notice of Meeting** - Notice of the time and place of each meeting of the Board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor or appoint additional directors;
- (c) issue securities;
- (d) issue shares of a series;
- (e) declare dividends;

- (f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (g) pay a commission for the sale of shares;
- (h) approve a management proxy circular;
- (i) approve a take-over bid circular or directors' circular;
- (j) approve any annual financial statements; or
- (k) adopt, amend or repeal by-laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the Board, and attendance of a director at a meeting constitutes a waiver of notice unless the director is attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.13 **First Meeting of New Board** - Provided a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

4.14 **Adjourned Meeting** - Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 **Regular Meetings** - The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 **Chairman** - The chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the Board, managing director, president, or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.17 **Votes to Govern** - At all meetings of the Board every question shall be decided by a majority of the votes cast on the question of those directors entitled to vote. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4.18 **Conflict of Interest** - A director or officer who is a party to, or who is a director or officer, or an individual acting in a similar capacity, of a party to; or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the Board or shareholders for approval in accordance with the Act, even if such contract or transaction is one that in the ordinary course of the Corporation's business would not require approval by the Board or shareholders, and a director interested in a contract or transaction so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

4.19 **Remuneration and Expenses** - Subject to the articles and any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the Board may from time to

time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration in that capacity.

SECTION 4A **NOMINATION OF DIRECTORS**

4A.1 **Definitions** - For purposes of this Section 4A, unless the context otherwise specifies or requires, the following terms shall have the meanings set out below. Any terms not defined in this Section 4A but that are elsewhere defined in the by-laws, shall, for all purposes hereof, have the meanings given to such terms in the by-laws.

“**Affiliate**” has the meaning given to that term in the Act.

“**Applicable Securities Laws**” means the *Securities Act* (Alberta) and the equivalent legislation in the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

“**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

4A.2 **Nomination Procedures** - Subject only to the Act, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called, as set out in the notice of meeting, was the election of directors:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”) who (i) at the close of business on both the date of the giving of the notice provided for below in this Section 4A and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who has complied with the notice procedures set forth below in this Section 4A.

4A.3 **Timely Notice** - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely (as described in Section 4A.4 below) notice thereof in proper written form (as described in Section 4A.5 below) to the

Corporation, to the attention of the Corporate Secretary at the principal executive offices of the Corporation in accordance with this Section 4A even if the Nominating Shareholder has already made such matter the subject of a notice to the shareholders or a public announcement.

4A.4 **Manner of Timely Notice** - 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 of shareholders, not less than 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 called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, 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 also called for other purposes), 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; and
- (c) notwithstanding the foregoing, in the case of an annual meeting of shareholders of the Corporation or a special meeting of shareholders of the Corporation that is not also an annual meeting but is called for the purpose of electing directors (whether or not also called for other purposes) where "notice-and-access" (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy-related materials and the Notice Date is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

4A.5 **Proper Form of Notice** - To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - (i) the name, age, citizenship, business address and residence address of the person;
 - (ii) the principal occupation or employment of the person for the past five years;
 - (iii) the class or series and number of shares in the capital of the Corporation which are controlled, or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders and as of the date of such notice, and
 - (iv) full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, "**Arrangements**"), including without limitation financial, compensation and indemnity related Arrangements, between the proposed nominee or any associate or Affiliate of the proposed nominee and (A) any Nominating Shareholder or any of its representatives or (B) any other person or company relating to the proposed nominee's nomination for election, or potential service, as a director of the Corporation; and

- (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

and

- (b) as to the Nominating Shareholder giving the notice:
 - (i) the number of securities of each class of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such person or any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting and as of the date of such notice;
 - (ii) details regarding any proxy or Arrangement pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation; and
 - (iii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

4A.6 **Power of the Chair** - The chairman of any shareholder meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Section 4A and, if any proposed nomination is not in compliance with this Section 4A, to declare that such defective nomination shall be disregarded.

4A.7 **Delivery of Notice** - Notwithstanding any other provision of the by-laws, notice given to the Corporate Secretary of the Corporation pursuant to this Section 4A may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated on the Corporation's website from time to time for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary 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.

4A.8 **Waiver** - Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 4A.

SECTION 5 **COMMITTEES**

5.01 **Committee of Directors** - Unless otherwise permitted by the Act, the Board may appoint a managing director who must be a resident Canadian or a committee of directors, however designated, and delegate to such managing director or committee any of the powers of the Board except those which, under the Act, a managing director or a committee of directors has no authority to exercise.

5.02 **Transaction of Business** - Subject to the provisions of section 4.09, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 **Advisory Committees** - The Board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

5.04 **Procedure** - Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

5.05 **Audit Committee** - When required by the Act the Board shall, and at any other time the Board may, appoint annually from among its number an Audit Committee to be composed of not fewer than three (3) directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The Audit Committee shall have the powers and duties provided in the Act and any other powers delegated by the Board.

SECTION 6 **OFFICERS**

6.01 **Appointment** - Subject to the articles and any unanimous shareholder agreement, the Board may from time to time appoint a president, chief executive officer, chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, the articles and any unanimous shareholder agreement, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director and one person may hold more than one office.

6.02 **Chairman of the Board** - The Board may from time to time also appoint a chairman of the Board who shall be a director. If appointed, the Board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Act, have such other powers and duties as the Board may specify. During the absence or disability of the chairman of the Board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

6.03 **Managing Director** - The Board may from time to time appoint a managing director who shall be a director. If appointed, he shall have such powers and duties as the Board may specify.

6.04 **President** - If appointed, the president shall be subject to the authority of the Board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the Board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director or chief executive officer shall also have the powers and duties of that office.

6.05 **Vice-President** - A vice-president shall have such powers and duties as the Board or the chief executive officer may specify.

6.06 **Secretary** - The secretary, if invited by the Board, will attend meetings of the Board, shareholders and committees of the Board and shall participate in areas of discussion that have been outlined by the Board and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.07 **Treasurer** - The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the Board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.08 **Powers and Duties of Other Officers** - The powers and duties of all other officers shall be such as the terms of their engagement call for or as the Board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.09 **Variation of Powers and Duties** - The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.10 **Term of Office** - The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the Board shall hold office until his successor is appointed.

6.11 **Terms of Employment and Remuneration** - The terms of employment and the remuneration of officers appointed by the Board shall be settled by the Board from time to time.

6.12 **Conflict of Interest** - An officer shall disclose his interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with section 4.18.

6.13 **Agents and Attorneys** - The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

6.14 **Fidelity Bonds** - The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may from time to time determine.

SECTION 7

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 **Limitation of Liability** - No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are

occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the Regulations or from liability for any breach thereof.

7.02 **Indemnity** - Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal, administrative, investigative or other proceeding in which he is involved because of that association with the Corporation or other entity, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

7.03 **Insurance** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the Board may from time to time determine.

SECTION 8 **SHARES**

8.01 **Allotment** - Subject to the Act, the articles and any unanimous shareholder agreement, the Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as prescribed by the Act.

8.02 **Commissions** - The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.03 **Registration of Transfer** - Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 **Transfer Agents and Registrars** - The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.05 **Lien for Indebtedness** - If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to

any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

8.06 **Non-recognition of Trusts** - Subject to the provisions of the Act, the Corporation shall treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

8.07 **Security Certificates** - Every holder of one or more securities of the Corporation shall be entitled, at his option, to a security certificate, or to a non-transferable written acknowledgement of his right to obtain a security certificate, stating the number and class or series of securities held by him as shown on the securities register. Security certificates and acknowledgements of a shareholder's right to a security certificate, respectively, shall be in such form as the Board shall from time to time approve. Any security certificate shall be signed in accordance with section 2.02 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing securities in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of security certificates which are not valid unless countersigned by or on behalf of the transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.08 **Replacement of Security Certificates** - The Board or any officer or agent designated by the Board may in its or his discretion direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate that has been mutilated or in substitution for a security certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding the amount prescribed by the Regulations, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.09 **Joint Securityholders** - If two or more persons are registered as joint holders of any security, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such security.

8.10 **Deceased Shareholders** - In the event of the death of a holder, or of one of the joint holders, of any security, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION 9
DIVIDENDS AND RIGHTS

9.01 **Dividends** - Subject to the provisions of the Act, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.02 **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 **Non-receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.04 **Record Date for Dividends and Rights** - The Board may fix in advance a date, preceding by not more than 60 days, or such other period as may be prescribed by the Act or the Regulations, the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities provided that notice of any such record date is given, not less than 7 days or such other period as may be prescribed by the Act or the Regulations before such record date, by newspaper advertisement in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

9.05 **Unclaimed Dividends** - Any dividend unclaimed after a period of 3 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 10
MEETINGS OF SHAREHOLDERS

10.01 **Annual Meetings** - The annual meeting of shareholders shall be held at such time in each year and, subject to section 10.03, at such place as the Board, the chairman of the Board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.02 **Special Meetings** - The Board, the chairman of the Board, the managing director or the president shall have power to call a special meeting of shareholders at any time.

10.03 **Place of Meetings** - Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the province in which the registered office is situated or, if the Board shall so determine, at some other place in Canada or at some place outside Canada if such place is specified in the articles or, if all the shareholders entitled to vote at the meeting so agree.

10.04 **Meeting Held by Electronic Means** - Notwithstanding Section 10.03, if the directors or shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act and the Regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

10.05 **Participation by Electronic Means** - If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of shareholders, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act and the Regulations. A person participating in a meeting by such means is deemed to be present at the meeting.

10.06 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 12.01 not less than 21 nor more than 60 days before the date of the meeting or such other period as may be prescribed by the Act or the Regulations, to each director, to the auditor and to each shareholder who at the close of business on the record date for notice, if any, is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors report, election of directors and appointment of auditors shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.07 **List of Shareholders Entitled to Notice** - The Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to section 10.06, the shareholders listed shall be those registered at the close of business on a day not later than 10 days after such record date and the list shall be prepared no later than 10 days after the record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

10.08 **Record Date for Notice** - The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 21 days, or such other period as may be prescribed by the Regulations, for the determination of the shareholders entitled to notice of or to vote at the meeting, provided that notice of any such record date is given, not less than 7 days before such record date, or such other period as may be prescribed by the Regulations, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of or to vote at the meeting shall be the close of business on the last business day immediately preceding the day on which the notice is sent or if no notice is sent, the day on which the meeting is held.

10.09 **Meetings Without Notice** - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.10 **Chairman, Secretary and Scrutineers** - The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chairman of the Board, chief executive officer, president, managing director, or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for the commencement of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.11 **Persons Entitled to be Present** - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.12 **Quorum** - A quorum for the transaction of business at any meeting of shareholders shall consist of at least two persons holding or representing by proxy not less than twenty-five (25%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of more than 29 days and not more than 90 days, notice of the adjourned meeting shall be given as for an original meeting but the management of the Corporation shall not be required to send a form of proxy in the form prescribed by the Act to each shareholder who is entitled to receive notice of the meeting. Those shareholders present at any duly adjourned meeting shall constitute a quorum.

10.13 **Right to Vote** - Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 10.07, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except, where the Corporation has fixed a record date in respect of such meeting pursuant to section 10.08, to the extent that such person has transferred any of his shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than 10 days before the meeting that his name be included to vote the shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at that time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.14 **Proxies** - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act.

10.15 **Time for Deposit of Proxies** - The Board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

10.16 **Joint Shareholders** - If two or more persons hold shares jointly, one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one on the shares jointly held by them.

10.17 **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

10.18 **Show of Hands** - Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands or any other manner permitted by the Act unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.19 **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands or other form of voting has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.20 **Electronic Voting** - If the Corporation chooses to make available a telephonic, electronic or other communication facility, in accordance with the Act and the Regulations, that permits shareholders to vote by means of such facility then, notwithstanding any other provision of this by-law, any vote may be held, in accordance with the Act and the Regulations, entirely by means of such facility.

10.21 **Adjournment** - If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that

is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.22 **Resolution in Writing** - A resolution in writing signed in counterpart or in one instrument by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

10.23 **Only One Shareholder** - Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

SECTION 11

DIVISIONS AND DEPARTMENTS

11.01 **Creation and Consolidation of Divisions** - The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.02 **Name of Division** - Any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

11.03 **Officers of Divisions** - From time to time the Board or, if authorized by the Board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the chief executive officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION 12

NOTICES

12.01 **Method of Giving Notices** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Regulations, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication or by electronic means in accordance with the provisions of the Act and the Regulations. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate

communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

12.02 **Notice to Joint Shareholders** - If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

12.03 **Computation of Time** - In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

12.04 **Undelivered Notices** - If any notice given to a shareholder pursuant to section 12.01 is returned on two consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

12.05 **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.06 **Persons Entitled by Death or Operation of Law** - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.07 **Waiver of Notice** - Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the Regulations, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

SECTION 13 **EFFECTIVE DATE**

13.01 **Effective Date** - This by-law shall come into force when made by the Board in accordance with the Act.

13.02 **Repeal** - All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All directors, officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the Board with continuing effect passed under any repealed by-law shall continue to be valid except to the extent inconsistent with this by-law and until amended or repealed.

ENACTED by the Board of Directors this 13th day of April, 2021.

(signed) "D. Michael G. Stewart"
Chair

**QUESTIONS MAY BE DIRECTED TO THE PROXY
SOLICITATION AGENT**



North American Toll Free:

1-877-452-7184

Outside North America:

416-304-0211

Email:

assistance@laurelhill.com