



COMPENSATION AND HR COMMITTEE CHARTER

1. Purpose

The Compensation and Human Resources (“HR”) Committee (the “**Committee**”) of Painted Pony Energy Ltd. (the “**Corporation**”) is a committee of the Board of Directors (the “**Board**”).

The Committee shall oversee the Corporation’s compensation and human resources policies and practices and the disclosure of director and executive officer compensation. The Committee shall oversee the effectiveness of the Corporation’s risk management processes, principles and plans designed and implemented by management to deal with risks relating to director and executive officer compensation reporting and relating to HR matters.

2. Objective

The objectives of the Committee are to assist the Board in fulfilling its responsibilities with respect to:

- (a) the compensation and human resource philosophy of the Corporation;
- (b) the Corporation’s strategies for the recruitment, hiring, retention, development and motivation of personnel, including policies and compensation plans designed to support such strategies;
- (c) the integrity, preparation and disclosure of compensation information in accordance with applicable legal requirements, in particular information required to be included in the Management Information Circular pursuant to Form 51-102F6 *Statement of Executive Compensation* (“**51-102F6**”), and any other requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”);
- (d) the compensation to be granted to the directors of the Corporation;
- (e) the compensation to be granted to the Chief Executive Officer (“**CEO**”) and the other executive officers of the Corporation;
- (f) assessing the performance of the CEO and overseeing the assessment of the performance of other executive officers; and
- (g) the assessment and management of risk associated with the Corporation’s compensation and human resources policies and practices.

3. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee shall be independent, within the meaning of the provisions of National Policy 58-201 *Corporate Governance Guidelines*.

Chair

The Board shall designate one member of the Committee as the Chair of the Committee (the “**Chair**”).

The Chair shall be responsible for ensuring that the Committee is properly organized, functions effectively and meets its obligations and responsibilities. The Chair shall be responsible for the scheduling of Committee meetings and the establishment of meeting agendas. The Chair shall liaise and communicate with the Chair of the Board to coordinate reports from the Committee at meetings of the Board.

The Chair shall preside over all meetings of the Committee, and in the Chair’s absence, the members of the Committee may designate from among such members a chair for the purposes of such meeting.

Term of Members

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

Delegation

The Committee may designate a sub-committee or any member to review any matter within this Charter as the Committee deems appropriate.

4. Meetings

Number of Meetings

The Committee may meet as many times per year as the Chair may determine, and as necessary to carry out its duties and responsibilities, but at a minimum, shall meet once a year.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee, present in person or by telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, shall constitute a quorum.

Calling of Meetings

Any member of the Committee may call a meeting of the Committee.

Business at Meetings

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution of the Committee. In case of an equality of votes, the Chair shall not be entitled to a second or casting vote.

Secretary

The General Counsel and Corporate Secretary of the Corporation shall serve as Secretary to the Committee. The Corporate Secretary shall attend all Committee meetings; ensure proper minutes and other records are maintained; manage the preparation and delivery of Committee materials; and perform such other duties as may be required or requested from time to time. The Corporate Secretary is responsible for advising the Committee on compliance with this Charter and the statutory and regulatory obligations of the Committee.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Draft minutes shall be circulated to the Chair within a reasonable time after a meeting.

Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair should report to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The Committee may invite to a meeting any directors, officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

In Camera Meetings

At each of its meetings the Committee shall hold an *in camera* meeting of Committee members, at which management or advisors are not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board, unless otherwise determined by the Committee or the Board.

Access to Information

The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation.

5. Duties and Responsibilities

To fulfil its responsibilities and duties, the Committee shall:

- (a) Consider and provide recommendations to the Board regarding the Corporation's philosophy for compensation and human resources matters, including with regard to promoting an alignment of interests between the Corporation's shareholders and its directors and executive officers;
- (b) review the Corporation's procedures relating to the gathering and disclosure of information with respect to director and executive officer compensation in compliance with the disclosure obligations contained in NI 51-102 and 51-102F6, and in connection therewith:
 - (i) consider the adequacy of such procedures;
 - (ii) review compliance with applicable regulations and policies, and
 - (iii) make a recommendation to the Board as to whether to approve the disclosure and filing of the director and executive officer compensation information;
- (c) review the risks associated with the Corporation's human resources and talent management programs, including risks relating to human resources policies and practices or arising out of compensation program design; and make recommendations regarding the mitigation of risks, including the risk of compensation programs creating unintended outcomes or inappropriate incentives;
- (d) annually review and approve the engagement of the independent compensation advisor to the Board, and in connection therewith:
 - (i) consider the expertise and qualification of the proposed advisor, and in particular, the responsible individuals;
 - (ii) consider the independence of the proposed advisor; and
 - (iii) approve in advance any work the compensation advisor performs at the request of management;
- (e) oversee the Corporation's compensation and human resources policies, plans and practices, including short and long term incentives such as base salaries; the annual bonus program; the stock option plan; the deferred share unit plan; the performance share unit plan; the restricted share unit plan; the employee share purchase plan; the short and long term disability plans; and the extended health and wellness plans;
- (f) review compliance of the Corporation's compensation policies and practices with applicable law and regulatory requirements, as well as in accordance with the Corporation's compensation objectives and philosophy;
- (g) oversee and make recommendations to management regarding the compensation and human resources policies and practices of the Corporation;

- (h) review and approve, for recommendation to the Board, any recommendations for the establishment of or amendment to any equity-based compensation plan or program;
- (i) review and approve, for recommendation to the Board, any recommendations for the establishment of and amendments to any executive cash incentive plan or program;
- (j) review and approve director compensation including deferred share unit grants;
- (k) oversee and make recommendations to management regarding the Corporation's strategies for the consideration of and planning for talent resource needs, and for the development of talent throughout the organization;
- (l) review of the Corporation's succession and leadership plans with respect to the executive officers;
- (m) review internal controls in the executive compensation process, including information used to determine executive officer compensation;
- (n) review and approve corporate goals and objectives relevant to the compensation of the executive officers;
- (o) approve the individual performance goals and objectives of the CEO; evaluate the CEO's performance in light of these goals and objectives as well as in light of established corporate objectives; and make recommendations to the Board with respect to the CEO's remuneration;
- (p) review the CEO's recommendations to the Committee respecting the appointment, compensation and other terms of employment of any new executive officers of the Corporation and if advisable, recommend for Board approval, with or without modifications, any such appointment, compensation and other terms of employment;
- (q) review the assessment of the performance of executive officers as provided to the Committee by the CEO and make recommendations to the Board regarding the remuneration of the Corporation's executive officers;
- (r) review and make recommendations to the Board with respect to the payment of bonuses to the executive officers of the Corporation;
- (s) review and approve grants of stock options, restricted share units and performance share units in accordance with the applicable plan and in accordance with applicable legal requirements; and communicate all grant approvals to the Board and the Corporation's legal counsel in a timely manner to ensure compliance with applicable reporting requirements;
- (t) report to the Board on compensation and human resource matters at least annually; and

- (u) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

6. Independent Advisors

The Committee shall have the authority to retain independent legal counsel, consultants or other advisors to assist it in carrying out its duties and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Corporation and to communicate directly with such advisors. The Corporation shall pay the invoices of such advisors, upon their approval by the Chair.

7. Continuing Education

Members of the Committee shall strive to remain current in their knowledge and education relating to human resource and compensation matters including talent management strategy, compensation strategy, equity and cash compensation plan design, executive compensation and compensation disclosure issues, and human resource and compensation risk, and shall consider available opportunities to enhance their knowledge of evolving practices in compensation governance.

8. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

9. Charter Review

The Committee shall review this Charter annually and present any recommended amendments to this Charter to the Governance Committee, which shall consider any such recommendations as part of its annual review of this Charter and shall present any recommended amendments to this Charter to the Board for approval.

Adopted: August 12, 2015

Revised: November 10, 2015

Revised: October 17, 2017