



NOMINATING COMMITTEE CHARTER

1. Purpose

The Nominating Committee (the “**Committee**”) of Painted Pony Energy Ltd. (the “**Corporation**”) is a committee of the Board of Directors (the “**Board**”).

The Committee shall promote the effectiveness of the Board and its committees by ensuring a transparent and rigorous process for the selection of candidates to serve as directors of the Corporation, and by guiding the Corporation’s policies and processes regarding board and board committee membership and evaluation.

2. Objective

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

- (a) guiding the Corporation’s policies regarding size and composition of the Board and regarding eligibility criteria for service on the Board;
- (b) identification, recruitment and nomination of suitable director candidates;
- (c) director education and development; and
- (d) evaluation of the effectiveness and performance of the Board, its committees and individual directors.

3. Membership

Number of Members

The Committee shall be composed of two 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 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 purpose of such meeting.

Term of Members

Each member of the Committee be appointed by the Board and 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) develop a long-term plan for the composition of the Board that takes into consideration:
 - (i) the competencies and skills that the Board as a whole should possess;
 - (ii) strengths, competencies, skills and experience of the current directors;
 - (iii) the benefits of having a diverse Board, with a mix of skills, regional and industry experience, background, race, gender and other distinctions;
 - (iv) anticipated retirements; and
 - (v) the strategic direction of the Corporation;
- and report to the Board thereon at least annually;

- (b) update the plan for Board composition on a regular basis by considering any significant changes to the Corporation's strategic direction, its competitive environment and its business needs, and evaluating the impact of such changes on the matrix of experience, skills and competencies required on the Board for it to continue to be effective;
- (c) consider and provide recommendations regarding eligibility criteria to be applied in considering potential new candidates to serve on the Board;
- (a) on an annual basis, undertake an examination of the size of the Board, with a view to determining whether a reduction or increase in the size of the Board would facilitate effectiveness;
- (b) in consultation with the Chairman of the Board and the Chief Executive Officer, annually or as required, identify, recruit and nominate suitable candidates to serve on the Board and recommend to the Board their nomination for election at the next annual meeting of shareholders, having regard to the following:
 - (i) the competencies, skills and experience determined to be desirable for new directors pursuant to the established Board composition plan;
 - (ii) the amount of time and resources that each nominee has to fulfill his or her duties as a Board member; and
 - (iii) the competencies and skills any new nominee will bring to the Board;
- (c) review, monitor and make recommendations regarding programs for director development and education, including new director orientation as well as programs for the continuing education and development of existing directors;
- (d) on an annual basis, evaluate the effectiveness of the Board and its committees with a view to ensuring that they are fulfilling their respective responsibilities and duties, taking into account the competencies and skills each director brings as a member of the Board or a committee, as well as any other relevant facts. In connection with these evaluations, the Committee may request each director to provide his or her assessment of:
 - (i) the effectiveness of the Board;
 - (ii) the effectiveness of each committee; and
 - (iii) the performance of the individual directors;
- (e) recommend to the Board the individual directors to serve on the various committees, having regard to the matrix of competencies and skills that the Board considers to be necessary for each committee to possess; and
- (f) recommend, for Board approval, the removal of a director from the Board or from any committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the Committee considers appropriate.

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 board membership and effectiveness and shall consider available opportunities to enhance their knowledge of evolving practices in 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: November 10, 2015

Revised: October 17, 2017