



POSITION DESCRIPTIONS OF BOARD CHAIR, COMMITTEE CHAIRS AND THE CHIEF EXECUTIVE OFFICER

1. Introduction

Pursuant to the Mandate of the Board of Directors (the “**Board**”) of Painted Pony Energy Ltd. (the “**Corporation**”), the chair of Board is selected from and is appointed by the Board.

Pursuant to the Charters of each of the committees of the Board (a “**Committee**”), the Board is to designate one member of a Committee to be the Chair of that Committee.

The Chief Executive Officer (the “**CEO**”) of the Corporation is appointed by, and reports to, the Board.

This Position Description sets out the positions descriptions of each of (i) the Chair of the Board, (ii) the Chairs of each of the Committees, and (iii) the CEO

2. Scope

The following Position Descriptions are applicable to directors and to the Chief Executive Officer of the Corporation.

3. Position Description of the Chair of the Board

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

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

4. Position Description of the Chairs of the Committees of the Board

The Chair of a Committee shall be responsible for ensuring that such Committee is properly organized, functions effectively and meets its obligations and responsibilities. The Chair shall be responsible for the scheduling of the meetings of that Committee 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 of a Committee shall preside over all meetings of that Committee, and pursuant to the particular Charter of that Committee, in the Chair’s absence, the members of that Committee may designate from among its members a chair for the purposes of such meeting.

5. Position Description of the Chief Executive Officer

The CEO’s overall general role is to provide leadership and to manage, and supervise the management of, the day-to-day business and affairs of the Corporation in accordance with its articles and by-laws and the *Business Corporations Act* (Alberta). In doing so, the CEO is to

exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation.

The primary duties of the CEO are to:

- (a) be the Corporation's role model for responsible, ethical and effective decision making;
- (b) provide the Corporation with executive leadership and operational management;
- (c) maintain regular and effective communication with the Board and its Chair;
- (d) with respect to strategic leadership:
 - (i) formulate the Corporation's strategic plan and identify the risks of the strategy and oversee the systems to manage such risks;
 - (ii) present the Corporation's goals and strategic plan to the Board for its approval;
 - (iii) update the Board regarding the Corporation's progress in reaching the approved goals and the deployment of the approved strategic plan;
 - (iv) formulate and implement capital and operating plans to support the strategic plan;
 - (v) advise the Board of the Corporation's resources, industry and regulatory constraints, risks and opportunities; and
 - (vi) update the Board regarding the Corporation's operational and financial matters;
- (e) with respect to financial leadership:
 - (i) propose capital and expenditure budgets for approval by the Board;
 - (ii) develop operating forecasts for revenues, expenditures, operational results and financial performance;
 - (iii) authorize the commitment of funds and corporate resources to fulfill contracts, transactions and arrangements in the ordinary course of business and as approved by the Board; and
 - (iv) take reasonable steps to ensure the Corporation's assets are safeguarded and optimized in the best interests of shareholders;
- (f) with respect to administrative leadership:
 - (i) advise on and recommend to the Board the appointment of the other executive officers of the Corporation;
 - (ii) develop and maintain an effective organizational structure;
 - (iii) in consultation with the Board, establish the limits of the executive officers' authority and responsibility within the organizational structure;
 - (iv) annually determine the goals and objectives to be made by the executive officers in the performance of their duties;
 - (v) manage the interaction between the Board and the executive officers of the Corporation;
 - (vi) establish a succession plan for the executive officers; and

- (vii) provide communications with all employees of the Corporation on all pertinent matters;
- (g) with respect to governance leadership, take reasonable steps to:
 - (i) ensure the Corporation and the executive officers are practicing responsible, ethical and effective decision-making;
 - (ii) ensure the Corporation and the executive officers are promoting a corporate culture that promotes ethical practices, integrity, accountability and social responsibility;
 - (iii) establish effective control mechanisms for the Corporation's operations to ensure the integrity of the Corporation's internal control and management information systems;
 - (iv) establish and oversee the management of the Corporation's risk management program;
 - (v) ensure other appropriate policies and procedures of the Corporation are developed, maintained and monitored, including to ensure the timely, effective and compliant public disclosure of material information relating to the Corporation and its assets and operations; and
 - (vi) ensure all operations and activities of the Corporation are conducted in compliance with applicable laws, regulations, exchange requirements, governance documents approved by the Board, policies, the Code of Business Conduct and Ethics and sound business practices; and
- (h) with respect to public leadership, act as the principal spokesperson for the Corporation and oversee communication and other interactions between the Corporation and investors, analysts, regulators, the public, the media and other external stakeholders.

6. No Rights Created

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

7. Review of Position Description

The Governance Committee shall review this Position Description at least annually and present any recommended amendments to Board for approval.

8. Compliance with Law

In all instances, this Position Description will comply with applicable laws in the applicable jurisdiction. To the extent there is an inconsistency between this Position Description and applicable laws, the applicable laws shall govern without affecting the remainder of this Position Description.

Adopted: November 5, 2018