

## **BENGAL ENERGY LTD.**

### **Notice of Annual and Special Meeting of the Shareholders**

**TO: THE SHAREHOLDERS OF BENGAL ENERGY LTD.**

TAKE NOTICE that the Annual and Special Meeting (the "**Meeting**") of the shareholders of Bengal Energy Ltd. ("**Bengal**" or the "**Corporation**") will be held in the Conference Centre at 715 – 5th Avenue S.W., Calgary, Alberta on September 28, 2022 at 3:00 p.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended March 31, 2022, the auditors' report thereon and the report of the board of directors of the Corporation;
2. to fix the number of directors to be elected at the Meeting at six (6);
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint auditors of the Corporation and to authorize the directors to fix their remuneration as such;
5. to consider, and if thought advisable, to pass with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying information circular-proxy statement dated August 24, 2022 (the "**Information Circular**"), to approve all unallocated options issuable under the Corporation's option plan, as more particularly described in the Information Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular which accompanies this Notice.

**Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.**

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof to the Corporation's transfer agent Computershare Trust Company of Canada ("**Computershare**"): (i) by mail using the enclosed return envelope or an envelope addressed to Computershare, Proxy Department, 135 West Beaver Creek, PO BOX 300, Richmond Hill, Ontario L4B 4R5; (ii) by hand delivery to Computershare, Proxy Department, 135 West Beaver Creek, PO BOX 300, Richmond Hill, Ontario L4B 4R5; (iii) by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America); or (iv) a shareholder may vote through the Internet. If a shareholder wishes to vote through the Internet, please go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. Shareholders will require the 15-digit control number found at the bottom of the proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion without notice.

Please note that if a registered shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, such registered shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

The board of directors of the Corporation has fixed the record date for the Meeting at the close of business on August 19, 2022 (the "**Record Date**"). Only shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he or she owns such shares before the Meeting, demands, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta, this 24<sup>th</sup> day of August, 2022.

BY THE ORDER OF THE BOARD OF DIRECTORS

(signed) "*Chayan Chakrabarty*"

Chayan Chakrabarty  
President and Chief Executive Officer

## **BENGAL ENERGY LTD.**

Information Circular - Proxy Statement  
dated August 24, 2022

for the Annual and Special Meeting of Shareholders  
to be held on September 28, 2022

### **Solicitation of Proxies**

This management information circular - proxy statement ("**Information Circular – Proxy Statement**") is furnished in connection with the solicitation of proxies by the management of Bengal Energy Ltd. ("**Bengal**" or the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of the Corporation to be held on the 28<sup>th</sup> day of September, 2022 at 3:00 p.m. (Calgary time) in the Main Floor Conference Centre at 715 – 5th Avenue S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting of the Shareholders.

In order to be effective, the proxy must be deposited with Computershare Trust Company of Canada ("**Computershare**"): (i) by mail using the enclosed return envelope or an envelope addressed to Computershare, Proxy Department, 135 West Beaver Creek, PO BOX 300, Richmond Hill, Ontario L4B 4R5; (ii) by hand delivery to Computershare, Proxy Department, 135 West Beaver Creek, PO BOX 300, Richmond Hill, Ontario L4B 4R5; (iii) by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America); or (iv) a Shareholder may vote through the Internet; in each case not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. If a Shareholder wishes to vote through the Internet, please go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. Shareholders will require the 15-digit control number found on the enclosed Instrument of Proxy. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion without notice.

For registered Shareholders who do not receive a physical delivery of the Instrument of Proxy by mail for any reason, the Instrument of Proxy for use by registered Shareholders is also available under Bengal's profile at [www.sedar.com](http://www.sedar.com).

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on August 19, 2022 (the "**Record Date**"). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those common shares of the Corporation ("**Common Shares**") included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, the information contained in this Information Circular – Proxy Statement is given as at August 24, 2022.

The Instrument of Proxy appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed Instrument of Proxy are directors and/or officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting.**

**To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.**

### **Beneficial Holders of Common Shares**

The information set forth in this section is provided to beneficial holders ("**Beneficial Shareholders**") of Common Shares who do not hold their Common Shares in their own name. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation and such holder is a Beneficial Shareholder. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their Common Shares or website address where Common Shares can be voted. 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. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

This Information Circular - Proxy Statement and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. The Corporation does not send proxy-related materials directly to Beneficial Shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered Shareholders or Beneficial Shareholders. The Corporation will deliver proxy-related materials to nominees, custodians and fiduciaries and they will be asked to promptly forward them to Beneficial Shareholders. If you are a Beneficial Shareholder, your nominee should send you a voting instruction form or proxy form along with this Information Circular - Proxy Statement. The Corporation has elected to pay for the delivery of our proxy-related materials to objecting Beneficial Shareholders.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

### **Revocability of Proxy**

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing deposited either at the registered office of the Corporation 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, or with the Chair of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

### **Persons Making the Solicitation**

**The solicitation is made on behalf of the management of the Corporation.** The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual and Special Meeting of the Shareholders and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

### **Exercise of Discretion By Proxy**

The Common Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Annual and Special Meeting of the Shareholders. At the time of printing this Information Circular - Proxy Statement, management of the Corporation knows of no such amendment, variation or other matter.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **Financial Statements**

The audited financial statements of the Corporation for the year ended March 31, 2022, the auditors' report thereon and management's discussion and analysis will be tabled at the Meeting. A copy of the audited financial statements, the auditors' report thereon and management's discussion and analysis for the year ended March 31, 2022 have been mailed to the registered Shareholders. Shareholder approval is not required in relation to the audited financial statements.

### **Fixing the Number of Directors**

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at six (6) members. There are currently six (6) directors of the Corporation, being Chayan Chakrabarty, James B. Howe, Brian J. Moss, Robert D. Steele, W.B. (Bill) Wheeler and Peter Lansom, each of whom retires from office at the Meeting. As such, six (6) individuals will be nominated for election at the Meeting, as stated below.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6) members.

## **Election of Directors**

At the Meeting, Shareholders will be asked to elect six (6) directors to hold office until the next annual meeting or until their successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the six (6) nominees hereinafter set forth:

Peter Lansom	Brian J. Moss
Chayan Chakrabarty	Robert D. Steele
James B. Howe	W. B. (Bill) Wheeler

Each director will hold office until the next annual meeting or until his successor is duly elected or appointed unless his office is vacated.

The Instrument of Proxy provided by management of the Corporation accompanying this Information Circular-Proxy Statement provides for individual voting on directors rather than slate voting. In connection with the adoption of individual voting on directors, the Board has adopted a majority voting policy (the "**Majority Voting Policy**"). Under such Majority Voting Policy, if the "**WITHHOLD**" votes in respect of the election of a director nominee at the Meeting represent more than the "**FOR**" votes, the nominee will submit his resignation promptly after the Meeting, for the Governance and Nominating Committee's consideration. The Governance and Nominating Committee will consider such resignation and will make a recommendation to the Board after reviewing the matter as to whether to accept it or not, having regard to all matters it deems relevant. The Board will consider the recommendation and the Board's decision to accept or reject the resignation will be disclosed to the public within ninety (90) days of the Meeting and the Board may fill any vacancy created thereby. The nominee will not participate in any committee or Board deliberations upon submitting his resignation and the Board's determination in this regard. The Majority Voting Policy does not apply in circumstances involving contested director elections.

A copy of the Majority Voting Policy is available on Bengal's website at [www.bengalenergy.ca](http://www.bengalenergy.ca).

### ***Advance Notice By-Law***

The Corporation's Advance Notice By-Law, which was approved by the Shareholders at the annual and special meeting of Shareholders held on December 18, 2014, will apply to nominations of directors at the Meeting. The purpose of the Advance Notice By-Law is to provide Shareholders, the Board and management of the Corporation with a clear framework for director nominations to help ensure orderly business at Shareholder meetings.

Among other things, the Advance Notice By-Law requires that a Shareholder wishing to nominate a candidate for election as a director of the Corporation at an annual meeting of Shareholders must provide notice to the Chief Executive Officer ("**CEO**") of the Corporation not less than thirty (30) days and not more than sixty-five (65) days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than fifty (50) days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the tenth (10<sup>th</sup>) day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice By-Law also specifies the information and accompanying documentation that a nominating Shareholder must provide with respect to the nominating Shareholder and the nominee for the notice to be effective. No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-law. The Board

may, in its sole discretion, waive any requirement of the Advance Notice By-law. A copy of the Advance Notice By-Law is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Director Nominees***

The names and residences of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned or controlled or directed by each, directly or indirectly, the offices held by each in the Corporation, the period served as director and the principal occupation and background of each are set forth below. The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of August 24, 2022.

<b>Name, Province/Country of Residence and Present Office Held</b>	<b>Principal Occupation for Past Five (5) Years</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Held<sup>(6)(7)</sup></b>
Chayan Chakrabarty Calgary, Alberta, Canada President, Chief Executive Officer and Director	Appointed Chief Executive Officer of Bengal on November 26, 2010. President of Bengal since February 13, 2008.	February 13, 2008	3,104,795
James B. Howe <sup>(1)(5)</sup> Calgary, Alberta, Canada Director	From January 1982 to present, President of Bragg Creek Financial Consultants Ltd. (a private financial consulting corporation). Director of Ensign Energy Services Inc. and Pason Systems Inc.	November 24, 2005	690,000 <sup>(8)</sup>
Dr. Brian J. Moss <sup>(2)(3)(4)</sup> Calgary, Alberta, Canada Director	Director of Crown Point Energy Inc. and former President and Chief Executive Officer Crown Point Energy Inc. (formerly Crown Point Ventures Ltd.), a public oil and natural gas company, from November 9, 2016, to March 1, 2022. Prior thereto, Executive Vice President and Chief Operating Officer of Crown Point Energy Corp. from June 2012 to November 2016. Director of Crown Point Energy Inc. from May 2012 to April 2015. Director of Acquisition Oil Corporation, a private oil and natural gas company from March 2018 to present.	January 6, 2012	14,000
Robert D. Steele <sup>(1)(2)(3)(4)(5)</sup> Calgary, Alberta, Canada Director	Independent businessman since March 2010.	August 27, 2010	3,881,293
W. B. (Bill) Wheeler <sup>(1)(5)</sup> Vancouver, British Columbia, Canada Director	Private investor. Director and President of Texada Capital Management Ltd., a private investment company, since September 2011. Co-founder of Leith Wheeler Investment Counsel.	January 6, 2012	398,679,360 <sup>(9)</sup>
Peter Lansom <sup>(2)(3)(4)</sup>	Independent businessman since July 2021. Prior thereto, Managing Director of Galilee Energy from September 2013.	September 28, 2021	Nil

Notes:

- (1) Member of the Audit Committee.

- (2) Member of the Reserves Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Health, Safety and Environmental Committee.
- (5) Member of the Governance and Nominating Committee.
- (6) The Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date hereof, is based upon information furnished to the Corporation by the above individuals. The information above does not include options to purchase Common Shares ("**Options**").
- (7) In addition, as at the date hereof, each of the above nominees holds the following additional securities: Mr. Chakrabarty – 3,000,000 Options; Mr. Howe – 950,000 Options; Dr. Moss – 950,000 Options; Mr. Steele – 950,000 Options; Mr. Wheeler 950,000 Options; Mr. Lansom – 750,000 Options.
- (8) Includes 42,500 Common Shares held by Spartan Drilling Ltd., a company which is directly or indirectly controlled or directed by Mr. Howe.
- (9) Includes 4,242,157 Common Shares beneficially owned by Mr. Wheeler's spouse and 390,253,768 Common Shares beneficially owned by Texada Capital Management Ltd., a company directly or indirectly controlled or directed by Mr. Wheeler and his spouse.

As at August 24, 2022, the directors and executive officers of the Corporation own, control or direct, directly or indirectly, 410,600,579 Common Shares representing 86% of the issued and outstanding Common Shares.

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote proxies in the accompanying form in favour of the ordinary resolution fixing the number of directors at six (6) and the election of the nominees set forth above, as a group, as directors for the ensuing year. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder specified that their Common Shares are to be withheld from voting on the election of directors.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To our knowledge, other than as disclosed below, no proposed director: (i) is, as of the date hereof, or has been in the last ten (10) years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that, (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, that was in effect for a period of more than thirty (30) consecutive days (collectively, an "**order**"), or (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (ii) is, or has been in the last ten (10) years, a director or executive officer of an issuer (including the Corporation) that while that person was acting in such 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; (iii) has, within the last ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets; or (iv) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Steele was a director of Gamet Resources Limited ("**Gamet**") when the company filed a Notice of Intention to File a Proposal under the BIA on March 17, 2016. The proposal of Gamet was approved by the Alberta Court of Queen's Bench on September 28, 2016. Mr. Steele resigned as a director of Gamet on August 27, 2016.

#### **Appointment of Auditors**

Unless otherwise directed, it is the intention of the management nominees, if named as proxy, to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Accountants, to



serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the Board to fix their remuneration as such. The appointment of the auditors must be approved by a majority of votes cast by the Shareholders. KPMG LLP has been the Corporation's auditors since 1997.

For information relating to the fees paid to KPMG LLP in the two most recently completed financial years see the information set out under the heading "*Audit Committee Information*" in the Corporation's Annual Information Form dated June 29, 2022, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Approval of Unallocated Options**

When Options have been granted pursuant to the Corporation's share option plan (the "**Option Plan**"), Common Shares that are reserved for issuance under an outstanding Option are referred to as "allocated Options". The Corporation has additional Common Shares that may be issued under the Option Plan, but as they are not subject to current Option grants, they are referred to as "unallocated Options". The Option Plan limits the number of Common Shares that may be subject to Options granted and outstanding under the Option Plan, and any other share compensation arrangements established by the Corporation, at any time to 10% of the outstanding Common Shares. As of the date hereof, the Corporation has Options to purchase 10,920,000 Common Shares (equal to approximately 2.25% of the Corporation's issued and outstanding Common Shares as of the date hereof) outstanding under the Option Plan, leaving unallocated Options to purchase an aggregate of 37,610,421 Common Shares (equal to approximately 7.75% of the Corporation's issued and outstanding Common Shares as of the date hereof) available for future grants based on the number of outstanding Common Shares.

The policies of the Toronto Stock Exchange (the "**TSX**") require that Shareholders must approve all unallocated Options under the Option Plan every three (3) years. The Corporation's current unallocated Options expire on September 18, 2022, being the three (3) year anniversary from the most recent date on which the Shareholders approved an ordinary resolution approving all unallocated Options issuable under the Option Plan. Between September 18, 2022 and the date the unallocated Options under the Option Plan are reapproved by the Shareholders (expected to be the date of the Meeting, September 28, 2022), the Corporation will not be able to grant new Options under the Option Plan; however, all currently outstanding Options will continue unaffected.

Therefore, at the Meeting, Shareholders will be asked to approve an ordinary resolution approving all unallocated Options under the Option Plan.

As discussed in more detail under "*Statement of Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Equity Based Compensation*", Options form an important part of the total compensation provided to the Corporation's officers and employees. Options are provided to align employee and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. In addition, as Options do not require any payment of cash by the Corporation, Options help the Corporation preserve cash which can then be used for capital expenditures relating to exploration and development plans for the continued growth of the Corporation. If unallocated Options are not approved by the Shareholders at the Meeting, the Board will have to consider alternative forms of compensation to replace the grant of Options to attract, compensate and incentivize officers and employees.

At the Meeting, Shareholders will be asked to approve an ordinary resolution in the following form approving all unallocated Options issuable under the Option Plan:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF BENGAL ENERGY LTD. (THE "**CORPORATION**"), that all unallocated options issuable under the

Corporation's stock option plan be approved until September 28, 2025, being the third anniversary of the date that this resolution is passed."

Pursuant to the requirements of the TSX, the foregoing resolution must be approved by a simple majority of the votes cast by the Shareholders voting in person or by proxy at the Meeting. Currently outstanding Options will be unaffected if this resolution is not approved, but currently outstanding Options which have been exercised or that have expired or been cancelled will not be available for re-grant and the Board will not be able to grant new Options if the unallocated Options are not approved.

**Unless otherwise directed, it is the intention of the persons named in the enclosed Instrument of Proxy, if named as proxy, to vote for approval of the foregoing resolution approving all unallocated Options under the Option Plan.**

## INFORMATION CONCERNING THE CORPORATION

### Voting Securities and Principal Holders Thereof

The Common Shares are the only securities entitled to be voted at the Meeting and each Common Share is entitled to one vote per Common Share. As at August 24, 2022, there were 485,304,215 Common Shares issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two (2) persons present at the Meeting, in person or by proxy, representing not less than five percent (5%) of the Common Shares entitled to be voted at the Meeting. The Board has fixed the record date for the Meeting at the close of business on August 19, 2022.

The Corporation is authorized to issue an unlimited number of Common Shares. The Corporation is also authorized to issue an unlimited number of preferred shares, none of which are issued. In addition, as at August 24, 2022, there are 10,920,000 Options outstanding under the Option Plan.

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Corporation other than as set forth below.

Name	Number of Common Shares	Percent of Outstanding
W. B. (Bill) Wheeler <sup>(1)</sup>	398,679,360	82.2%

Note:

- (1) 4,183,435 Common Shares are directly owned by Mr. Wheeler, 4,242,157 Common Shares are beneficially owned by Mr. Wheeler's spouse and 390,253,768 Common Shares are beneficially owned by Texada Capital Management Ltd., a company controlled by Mr. Wheeler and his spouse.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Objectives of the Compensation Program*

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 or NEOs (each as defined herein) identified in the Summary

Compensation Table below. The Compensation Committee is also responsible for reviewing the Corporation's compensation policies and guidelines generally.

The objective of the executive compensation program is to engage senior management by motivating and rewarding corporate, individual or Shareholder success. It is designed to ensure that compensation is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

The Corporation believes that a competitive, goal-oriented compensation policy is critically important to the creation of value for Shareholders. To that end, the Corporation has created an incentive compensation program intended to reward performance. The goals of the compensation program are to align compensation with the successful accomplishment of business objectives and performance to enable the Corporation to attract and retain high quality executive officers and other key employees, reward them for the Corporation's progress and motivate them to enhance long-term stockholder value. The compensation program is intended to implement the following principles:

- Compensation should be related to the value created for Shareholders.
- The compensation program should be tied to short-term and long-term strategic goals and the Corporation's corporate objectives.
- The compensation program should reflect and promote the Corporation's values and reward individuals for contributions to the Corporation's success.
- The Corporation's compensation program should be designed to attract and retain well-qualified executives.

In evaluating performance, the Compensation Committee gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements. In addition, the Compensation Committee will receive and review recommendations of the CEO relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers. Although compensation opportunities are based in part upon individual contribution, the actual amounts earned by executives in cash bonuses and equity compensation awards are also based upon the overall performance of the Corporation.

During the course of its review of the Corporation's compensation policies and practices, the Compensation Committee considers the risks associated with such policies and practices. In that regard, the committee has determined that the compensation policies do not create an environment where a NEO or any other individual is encouraged to take excessive risk, but rather encourage, and reward prudent business judgement and appropriate risk taking over the short and long-term without creating risk that is reasonably likely to have a material adverse impact on the Corporation.

The Corporation does not have a policy restricting the ability of an executive officer or a director from purchasing financial instruments (including pre-paid 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 (or Options in respect thereof) granted as compensation or held, directly or indirectly, by the executive officer or director. During the financial year ended March 31, 2022, none of the Named Executive Officers or directors purchased such financial instruments.

### ***Elements of Compensation***

The executive compensation program is comprised of three principal components: (i) base salaries; (ii) a bonus plan; and (iii) equity-based compensation (including the granting of Options pursuant to the Option Plan) (as defined herein), 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*

The base salary compensation of the Named Executive Officers was previously established at the time the Corporation entered into employment contracts with such officers. The Compensation Committee reviews the base compensation of the Named Executive Officers on a regular basis.

The Named 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 Named Executive Officers are continuously reviewed by the Compensation Committee. The Corporation's approach to base salary compensation is to offer salaries which are targeted at the competitive median for similar Canadian internationally focused junior oil and gas companies to attract and retain high quality individuals. Salaries are also meant to reflect a particular executive's level of responsibility, experience and expertise. For the purpose of establishing these levels, the Compensation Committee reviews publicly available competitive market data, including salaries for comparable positions in other public Canadian junior oil and gas exploration companies and draws on each director's experience with publicly listed companies. Salaries of the NEOs are not determined based on benchmarks or a specific formula. The Compensation Committee submits its recommendation to the full Board to determine the salary of the CEO. The Compensation Committee considers the salaries recommended by the CEO for the other executive officers of the Corporation and then submits its recommendation to the full Board to determine the salary of the other executives.

Based upon its reviews of relevant industry data, the Compensation Committee determined that the base salaries of the NEOs were appropriate and necessary to attract individuals of such high calibre within the oil and gas industry for the financial year ended March 31, 2022. The Compensation Committee reviews the salaries of the CEO and other executive officers annually. Salaries may be increased based upon the individual's performance and contribution as well as increases in competitive pay levels.

#### *Bonus Plan*

In addition to base salaries, the Board may award discretionary cash bonuses to employees of the Corporation, including executive officers. The Corporation does not have a formal bonus plan nor are bonuses paid in relation to any formula or specific criteria. The basis for the Corporation's overall bonus pool and individual allocation is a result of a subjective determination based on, in the case of non-executive employees, the employee's contribution to adding share value and reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers, including the CEO, bonus awards are discretionary and, while there are no specific targets or criteria set out, metrics such as share price, cash flow per share, income per share, net asset value per share, reserve replacement costs and production levels are considered.

The Board, upon recommendation of the Compensation Committee, will approve bonus payments to NEOs. The bonus pool will be determined by the Compensation Committee and following that, management will determine the amount to be paid to each employee and then such allocation of the bonus pool will be presented to the Compensation Committee for approval, who then submits its recommendation to the full Board for approval. The Corporation maintains a bonus pool for Named Executives Officers separate from the bonus pool for other employees of the Corporation. During the fiscal year ended March 31, 2022, no bonuses were paid to NEOs.

#### *Equity Based Compensation*

The Corporation has adopted the Option Plan pursuant to which Options may be granted to directors, officers, employees and consultants of the Corporation. The Option Plan is designed, through the grant of Options, to reward key individuals in relation to the share price of the Corporation. The Option 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 the growth and profitability of the Corporation. The long-term focus of the Option Plan complements and balances the short-term elements of the compensation program of the Corporation.

Pursuant to the Option 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. In determining the number of Options to be granted to the executive officers, the Compensation Committee considers the amount, terms and vesting levels, including certain performance based vesting parameters, 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. Please refer to "*Incentive Plan Awards –Option Plan*" for further details regarding the Option Plan.

The executive officers participate with all employees in the benefit plans provided by the Corporation. There are no special supplemental pension or benefit plans in place for any of the executive officers.

The Corporation previously had an employee share purchase plan (the "**ESPP**") in place for all employees, including the executive officers, where the Corporation would match purchases of Common Shares to a maximum of ten percent (10%) of such employee's base salary. The purpose of the ESPP was to assist all employees in the accumulation of value for retirement savings or other purposes. The ESPP was terminated effective March 31, 2020 due to the negative economic impact of the COVID-19 pandemic and declines in global commodities prices. Please refer to "*Incentive Plan Awards – Employee Share Purchase Plan*" for further details regarding the ESPP.

#### ***Role of the Compensation Committee***

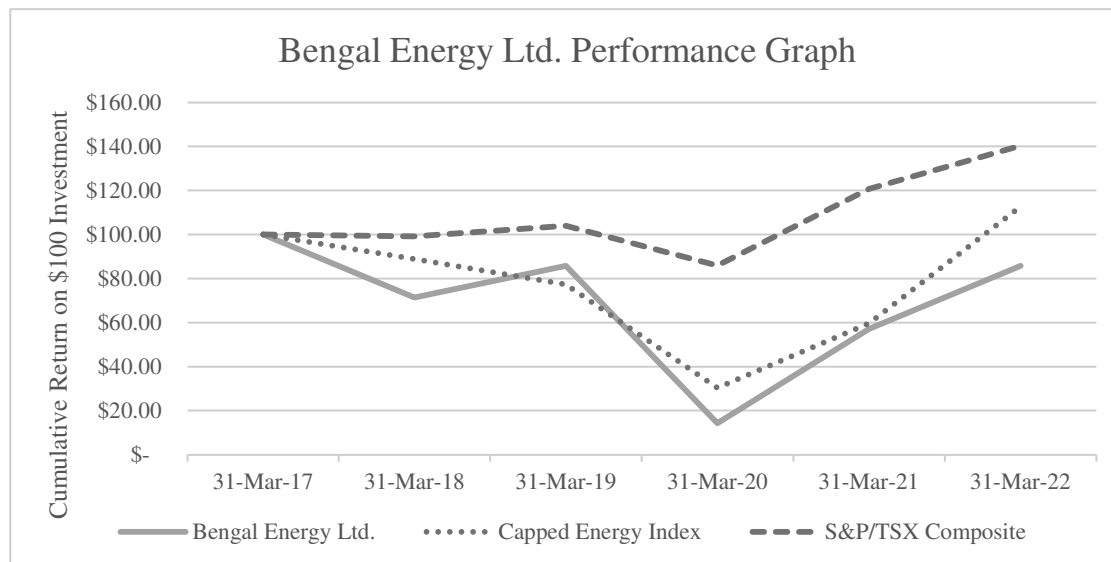
The Compensation Committee consists of Brian J. Moss (Chair), Robert D. Steele and Peter Lansom. All of the members of the Compensation Committee are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and are knowledgeable with respect to compensation programs and levels. The members of the Compensation Committee have extensive experience in executive compensation, particularly within the oil and gas industry, through their careers as business executives, directors and advisors, and, as such, the Board is satisfied that the members of the committee have the knowledge and experience to effectively perform their responsibilities.

The Compensation Committee meets from time to time during the year for the purpose of, among other things, reviewing the overall employee and executive officer compensation and benefits program and recommending the approval of any proposed changes to these programs to the Board. The Compensation Committee makes specific recommendations to the Board on Option grants and other share incentive rights allocations, if any, bonuses, employee savings plan contributions and directors' compensation. The Compensation Committee ensures the total compensation package facilitates the attraction and retention of a strong executive management team and employees. The Board reviews all recommendations of the Compensation Committee relating to compensation matters before final approval. See the Corporation's disclosure with respect to corporate governance practices set forth in Schedule "A" attached hereto for additional information concerning the Compensation Committee.

At no time in the previous two (2) completed financial years of the Corporation has a compensation consultant or advisor been formally retained by the Corporation to assist the Board or the Compensation Committee to determine the compensation of the directors or executive officers of the Corporation

Performance Graph

The Common Shares trade on the TSX under the stock symbol "BNG". The following graph compares the cumulative total Shareholder return of the Common Shares with the cumulative Shareholder return of the S&P/TSX Composite Index (formerly the TSE 300 Composite Index) and the S&P/TSX Capped Energy Index for each of the last five (5) years ended March 31, 2022 (see Note (1) below).



Note:

- (1) Assumes that the initial value of the investment in the Common Shares, in the S&P/TSX Composite Index and the S&P/TSX Composite Capped Energy Index was \$100 on March 31, 2017.

The following table shows the value of \$100 invested in Common Shares on March 31, 2017 compared to \$100 invested in the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index<sup>(1)</sup>:

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
S&P/TSX Composite Index	\$100.00	\$ 99.07	\$ 103.98	\$ 85.99	\$ 120.75	\$ 140.40
S&P/TSX Capped Energy Index	\$100.00	\$ 88.91	\$ 77.26	\$ 30.37	\$ 59.72	\$ 112.75
Bengal Energy Ltd.	\$100.00	\$ 71.43	\$ 85.71	\$ 14.29	\$ 57.14	\$ 85.71

Note:

- (1) Assuming reinvestment of dividends/distributions. All amounts in Canadian \$.

NEO compensation is defined as the aggregate of base salary, annual bonuses (if any), Options, and any other miscellaneous types of benefits that may periodically be granted to an NEO. As described under "*Compensation Discussions and Analysis*", base salaries reflect each executive officer's primary duties and responsibilities and are set at levels based on responsibility, experience and expertise. Options granted pursuant to the Option Plan form a significant portion of compensation, and therefore total compensation for the NEOs is affected by increases or decreases in the price of the Common Shares as the value of Options changes as the Corporation's Common Share price changes. There were no base salary increases or other bonuses paid to the Named Executive Officers during the fiscal year ended March 31, 2020, March 31, 2021 or March 31, 2022 as a result of continued volatile market conditions. Notwithstanding the foregoing, the price of the Common Shares may be affected by various factors not related to the results of the Corporation such as changes to commodity prices and general economic conditions.

## Option-based Awards

The process the Corporation follows in respect of the grant of Option-based awards is set out under "Compensation Discussion and Analysis – Elements of Compensation/Equity Based Compensation".

## Summary Compensation Table

The term "Named Executive Officer" or "NEO" is defined in Form 51-102F6 - *Statement of Executive Compensation*, and includes (a) the CEO; (b) the Chief Financial Officer ("CFO"); (c) each of the three (3) most highly compensated executive officers, or the three (3) most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The following table sets forth all annual and long-term compensation for the past three (3) fiscal years paid in respect of Chayan Chakrabarty, President and CEO, Jerrad Blanchard, CFO, Richard Edgar, Executive Vice President and Kai Eberspaecher, Chief Operating Officer (collectively, the "Named Executive Officers" or "NEOs").

Name and Principal Position	Year Ended March 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(3)</sup>
					Annual Incentive plans	Long-term Incentive plans			
Chayan Chakrabarty <sup>(4)(6)</sup> President and CEO	2022	245,000	Nil	Nil	Nil	Nil	Nil	Nil	245,000
	2021	230,000	Nil	52,800	Nil	Nil	Nil	Nil	282,000
	2020	230,000	Nil	Nil	Nil	Nil	Nil	Nil	230,000
Jerrad Blanchard <sup>(5)(6)</sup> CFO	2022	195,000	Nil	Nil	Nil	Nil	Nil	Nil	195,000
	2021	11,445	Nil	39,600	Nil	Nil	Nil	Nil	51,045
	2020	NA	NA	NA	NA	NA	NA	NA	NA
Richard Edgar Executive Vice President	2022	158,067	Nil	Nil	Nil	Nil	Nil	Nil	158,067
	2021	153,792	Nil	16,500	Nil	Nil	Nil	Nil	170,292
	2020	170,880	Nil	Nil	Nil	Nil	Nil	Nil	170,880
Kai Eberspaecher Chief Operating Officer	2022	208,500	Nil	Nil	Nil	Nil	Nil	Nil	208,500

### Notes:

- (1) Represents the grant date fair value for Options granted in the year ended March 31, 2021. No Options were granted during the years ended March 31, 2020 and 2022. Fair value is estimated using the Black-Scholes option pricing model. Key assumptions used in the pricing model for 2021 were: (i) an exercise price of \$0.08; (ii) dividend yield: nil.; (iii) volatility: 29%; (iv) risk-free interest: 1%; (v) forfeiture rate: 20%; and (vi) weighted average life: 5 years.. The Black-Scholes methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.
- (2) The value of perquisites and benefits for each Named Executive Officer is calculated using the actual cost to the Corporation. No Named Executive Officer received perquisites that were not generally available to all employees amounting to more than either 10% of their total salary or \$50,000.
- (3) In addition to the compensation set forth above, all employees of the Corporation are entitled to: (i) participate in the Corporation's employee health benefits plan; and (ii) a parking and gym membership allowance. Prior to its termination on March 31, 2020, employees were also entitled to participate in the ESPP (as defined herein) pursuant to which an employee could contribute up to ten percent (10%) of his/her annual salary and the Corporation would match the contribution.
- (4) Mr. Chakrabarty was appointed CEO on November 26, 2010 and is also a member of the Board. No additional compensation is paid in respect to his duties as a director.
- (5) Mr. Blanchard was appointed CFO effective March 8, 2021.
- (6) For a description of the employment agreements between the Corporation and each of Messrs. Chakrabarty and Blanchard, see "Termination and Change of Control Benefits" below.

## Incentive Plan Awards

### Outstanding Share Based Awards and Option based Awards

The following table sets forth information in respect of all share-based awards and Option-based awards outstanding at the end of the financial year ended March 31, 2022 to the Named Executive Officers of the Corporation. There were no share based awards outstanding at March 31, 2022.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$/per share)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money Options <sup>(2)</sup> (\$)	Number of Common Shares or units that have not vested (#)	Market or payment value of share-based awards that have not vested (\$)	Market or payout-value of vested share-based awards not paid out or distributed (\$)
Chayan Chakrabarty	600,000 2,400,000	\$0.10 \$0.08	June 21, 2022 <sup>(3)</sup> March 22, 2026	Nil 96,000	Nil Nil	Nil Nil	Nil Nil
Jerrad Blanchard	1,800,000	\$0.08	March 22, 2026	72,000	Nil	Nil	Nil
Richard Edgar	200,000 750,000	\$0.10 \$0.08	June 21, 2022 <sup>(3)</sup> March 22, 2026	Nil 30,000	Nil Nil	Nil Nil	Nil Nil
Kai Eberspaecher	900,000	\$0.10	March 22, 2026	36,000	Nil	Nil	Nil

Notes:

- (1) Normal expiration date of the Options, which may be subject to extension in accordance with the Option Plan in the event of a black-out period being imposed at the expiration date.
- (2) Calculated based on the difference between the closing price on the TSX of the Common Shares on March 31, 2022 of \$0.12 and the exercise price of the Options.
- (3) Applying the Performance Criteria (as defined below) to these Options resulted in a Performance Multiplier (as defined below) of zero and as such the noted Options were not exercisable.

### 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 March 31, 2022 in respect of Option-based awards, share-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards- Value vested during the year (\$)	Non-equity incentive plan – Value earned during the year (\$)
Chayan Chakrabarty	24,000	Nil	Nil
Jerrad Blanchard	18,000	Nil	Nil
Richard Edgar	7,500	Nil	Nil
Kai Eberspaecher	9,000	Nil	Nil

Notes:

- (1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2022 by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.

The Options which vested in the year ended March 31, 2022 were granted under the Corporation's Option Plan which is described below. The process followed by the Corporation for the grant of Options referred to



above is described under "*Compensation Discussion Analysis – Elements of Compensation – Equity Based Compensation*".

### ***Option Plan***

The Corporation has adopted the Option Plan, which was amended by the Board on August 10, 2011 which amendments were approved by the Shareholders on September 14, 2011, and as further amended by the Board on June 13, 2014 which amendments were approved by the Shareholders on December 18, 2014.

The Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the TSX, grant to directors, officers, employees and consultants to the Corporation or its subsidiaries, Options not to exceed ten percent (10%) of the issued and outstanding Common Shares of the Corporation. Options granted pursuant to the Option Plan have a term not to exceed five (5) years, unless the Corporation receives permission from the exchange on which the Common Shares are then listed, provided that in any case the term of an Option shall not exceed ten (10) years, and vest in such manner as determined by the Board at the time of the grant. The exercise price of an Option granted pursuant to the Option Plan is determined by the Board at the time of the grant, in accordance with the rules of the TSX, provided that in no event shall such exercise price be lower than the closing market price of the Common Shares at the time of the grant. Options granted under the Option Plan are generally not assignable and during the lifetime of an optionee, may only be exercised by the optionee. In connection with the foregoing, the number of Common Shares reserved for issuance to: (a) any participant will not exceed five percent (5%) of the issued and outstanding Common Shares in any twelve (12) month period unless the Corporation has obtained disinterested Shareholder approval in respect of such grants and meets applicable Exchange requirements; (b) any consultants will not exceed two percent (2%) of the issued and outstanding Common Shares in any twelve (12) month period; (c) all persons employed to perform investor relation activities will not exceed two percent (2%) of the issued and outstanding Common Shares in any twelve (12) month period provided that such Options will contain vesting provisions that such vesting occurs over at least twelve (12) months with no more than 1/4 of the Options vesting in any three (3) month period; (d) all non-employee directors shall not exceed three percent (3%) of the issued and outstanding Common Shares; and (e) insiders, at any time, under all share compensation arrangements shall not exceed ten percent (10%) of the issued and outstanding Common Shares in any twelve (12) month period. In addition: (i) the number of securities issued to insiders, within any one (1) year period, under all share compensation arrangements shall not exceed ten percent (10%) of the issued and outstanding Common Shares; and (ii) the aggregate value of Options granted to any one non-employee director in any twelve (12) month period cannot exceed \$100,000. Options may be exercised no later than ninety (90) days following cessation of the optionee's position with the Corporation unless the optionee was engaged in investor relation activities, in which case such exercise must occur within thirty (30) days following the cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the Options may be exercised within a maximum period of one (1) year after such death, subject to the expiry date of such Option.

The Option Plan also provides for the extension of the expiry date of any Option which would otherwise expire during a "black-out period" for two (2) trading days from the date that any "black-out period" ends.

The Option Plan provides that the Board may, subject to receipt of requisite regulatory approval, in its sole discretion and without further approval of the Shareholders, make amendments to the Option Plan or any Option granted thereunder including but not limited to: amendments of a "housekeeping" nature; a change to the vesting provisions of an Option or the Option Plan; a change to the termination provisions of an Option or the Option Plan which does not entail an extension beyond the original expiry date; suspending, terminating or discontinuing the Option Plan; the addition of restrictions in the Option Plan on the extent of the overall participation by insiders in the Corporation's share compensation arrangements; the addition of provisions relating to phantom share units, such as restricted share units and deferred share units, which result in the participants receiving cash payments, and the terms governing such features; and the addition of a cashless exercise feature payment in cash or securities, which provides for a full deduction of the number of underlying securities from the Option Plan reserved; provided that Shareholder approval will be obtained to the extent such approval is required by applicable laws or regulations or the terms of the Option Plan (Section 17 of the Option Plan specifies certain amendments that require Shareholder approval).

The Option Plan currently contains a cashless exercise feature which allows a holder of Options to dispose of his or her vested, unexercised Options or any of them to the Corporation in exchange for the issuance of Common Shares equal to the number determined by dividing the closing market price of the Common Shares on the TSX prior to the date of surrender of such Options (the "**Market Price**"), into the difference between the Market Price and the exercise price of such Options.

The Option Plan provides that only with approval by the Shareholders, can the following amendments be made to the Option Plan: (i) reduce the exercise price of any Option issued under the Option Plan; (ii) increase the maximum amount of securities that may be issued to insiders; (iii) any amendment to the Option Plan to increase the Common Share Maximum (defined as ten percent (10%) of the issued and outstanding shares of the Corporation from time to time); (iv) extend the term of any outstanding Option beyond the original expiry date of such Option, unless such extension is due to a Blackout Period (as such term is defined in the Option Plan) being in effect; (v) change the definition of "Participant" under the Option Plan; (vi) amend the limits on grants of Options to non-employee directors from those provided in the Option Plan; (vii) amend the Article of the Option Plan that provides for the transferability of Options; (viii) amend the Article of the Option Plan that provides for the amendment and termination of the Option Plan; (ix) an amendment to amend the amendment provisions of the Option Plan; and (x) make any other amendment to the Option Plan that shall require Shareholder approval pursuant to any applicable laws or regulations, including without limitation, the policies and regulations of the TSX (collectively, the "**2011 Amendments**").

In addition, Options granted subsequent to the year ended March 31, 2015, and prior to the year ended March 31, 2020, include performance vesting criteria (the "**Performance Criteria**"), which Performance Criteria are in addition to the time-based vesting criteria applicable to such Options. The Performance Criteria were developed by the Compensation Committee and approved by the Board. The Performance Criteria provide that the number of Options that vest in the holders thereof (each, an "**Optionee**") at any particular "time-based" vesting date (being, for the Options in question, the first, second and third anniversaries of the date of grant of the Options) shall be calculated based on the number of Options eligible for vesting at such dates (according to the time-based vesting schedule) multiplied by a "**Performance Multiplier**", which is a number between zero and one. The Performance Multiplier is determined by the Compensation Committee based on the specific terms and conditions set forth in the agreements pursuant to which the Options were granted. Such Option agreements provide that the Performance Multiplier is calculated based on equal one-third weightings of: (i) the performance of the Corporation's share price measured against a specific group of peer companies; (ii) the growth in the Corporation's production of hydrocarbons; (iii) the growth in the Corporation's proved plus probable reserves (based on reports of the Corporation's independent qualified reserve evaluator) and (iv) such other criteria as the Compensation Committee believes to be material and relevant to the calculation of the Performance Multiplier; each of which performance criteria is then measured against pre-defined corporate targets to develop the Performance Multiplier. The resulting Performance Multiplier is then applied to the number of Options that are eligible to vest in the Optionee at the specific vesting date, to determine the number of Options that will vest in the Optionee. The Corporation believes that the Performance Criteria, in this fashion, provide a direct link between corporate performance and the vesting of Options, further aligning the interests of the Corporation's directors, officers and employees with the interests of Shareholders. However, due to market conditions the Board suspended the application of Performance Criteria and a Performance Multiplier on options granted subsequent to the year ended March 31, 2020.

As of the date hereof, the Corporation has 485,304,215 Common Shares issued and outstanding. As at the date hereof, the Corporation has 10,920,000 (2.25%) Options issued under the Option Plan and 37,610,421 (7.75%) Options still available for grant under the Option Plan.

#### ***Employee Share Purchase Plan***

Due to the economic impact of the COVID-19 pandemic and declines in global commodity prices, the Corporation terminated the ESPP effective March 31, 2020. The ESPP provided an opportunity for employees to accumulate savings through automatic payroll deductions, which were then invested in Common Shares. The ESPP was administered for the Corporation by Raymond James Ltd. (the "**Administrative Agent**").

Employees with over three (3) months of continuous service with the Corporation or its subsidiaries were eligible to participate in the ESPP. Employees who elected to join the ESPP ("**Participants**") could contribute a minimum of two percent (2%) and a maximum of ten percent (10%) of their regular monthly earnings, subject to certain exceptions, to the ESPP. The Corporation contributed a matching amount of each Participant's contribution up to ten percent (10%) of the employee's monthly earnings, with certain exceptions. The Administrative Agent purchased Common Shares on the open market with the contribution funds and maintained accounts for each Participant.

### **Pension Plan Benefits**

The Corporation did not have any defined benefit (or actuarial plans), defined contribution plan, deferred compensation plan, or any other form of pension plan during the financial year ended March 31, 2022.

### **Termination and Change of Control Benefits**

Messrs. Chakrabarty, and Blanchard have entered into employment agreements with the Corporation. With respect to Mr. Chakrabarty, his employment agreement may be terminated by either the Corporation or Mr. Chakrabarty on one (1) months' notice. The employment agreement provides that, if the employment agreement is terminated without cause or as a result of a "Change of Control" (as defined in the employment agreement) of the Corporation, Mr. Chakrabarty becomes entitled to a lump sum retiring allowance equal to sum of 1.5 times his annual base salary and 1.5 times the annual bonus payment paid to Mr. Chakrabarty in the preceding fiscal year, if any. In addition, Mr. Chakrabarty is entitled to an amount equal to the premiums due for the executive's participation in the Corporation's group benefit plan for a period of twelve (12) months from the date of termination. Furthermore, Mr. Chakrabarty is entitled to any amounts owing pursuant to the terms of any Option agreements and any other stock option compensation agreements in effect at the time of termination or a "Change of Control".

Mr. Blanchard's employment agreement may be terminated without cause provided that, in addition to accrued and unpaid salary and vacation pay, the Corporation pays Mr. Blanchard a retiring allowance equal to: (i) three (3) months of Mr. Blanchard's annual base salary if the termination date is before the first anniversary of the date on which Mr. Blanchard commenced his employment with the Corporation (the "Effective Date"); (ii) six (6) months of Mr. Blanchard's annual base salary if the termination date is after the first anniversary of the Effective Date but before the second anniversary of the Effective Date; or (iii) six (6) months of Mr. Blanchard's annual base salary plus an additional one (1) month of annual base salary for each full year of employment of Mr. Blanchard from the second anniversary of the Effective Date (up to a total of twelve (12) additional months). The employment agreement also provides that Mr. Blanchard may terminate his employment within ninety (90) days of a "Change of Control" (as defined in the employment agreement) and following an event that constitutes "Good Reason" (as defined in the employment agreement). In such circumstances, in addition to accrued and unpaid salary and vacation pay, Mr. Blanchard is entitled to a retiring allowance equal to: (i) three (3) months of Mr. Blanchard's annual base salary if the termination date is before the first anniversary of the Effective Date; (ii) six (6) months of Mr. Blanchard's annual base salary if the termination date is after the first anniversary of the Effective Date but before the second anniversary of the Effective Date; or (iii) six (6) months of Mr. Blanchard's annual base salary plus an additional one (1) month of annual base salary for each full year of employment of Mr. Blanchard from the second anniversary of the Effective Date (up to a total of twelve (12) additional months).

The Option agreements with each NEO provide that, in the event of a "Change of Control" (as defined in the Option agreement), all outstanding Options will immediately vest and become exercisable. Had such "Change of Control" occurred as at March 31, 2022, the value of Options vested upon such occurrence (calculated as the difference between the market price of the Common Shares on the TSX on March 31, 2022, the last trading day of the most recently completed financial year and the exercise price of the Options) would have been, \$96,000 for Mr. Chakrabarty and \$72,000 for Mr. Blanchard.

The estimated incremental payments, payables, and benefits which might be paid by the Corporation for the Named Executive Officers, assuming a termination of employment without cause occurred as at March 31,

2022, would be, in the aggregate, \$506,667. Mr. Chakrabarty would be entitled to a lump sum payment equal to \$390,000. Mr. Blanchard would be entitled to a lump sum payment of \$116,667.

### Compensation of Directors

In October 2011, the Board approved the payment of the following fees to non-executive directors as compensation for the services provided to the Corporation: (i) an annual retainer fee in the amount of \$10,000 for each non-executive director (\$15,000 for the Chair); (ii) an additional \$5,000 annual retainer fee for the Chair of the Audit Committee and Chair of the Reserves Committees and \$4,000 for the Chair of the Compensation Committee, the Chair of the Governance and Nominating Committee and the Chair of the Health, Safety and Environmental Committee; and (iii) a \$750 fee for each meeting of the Board or a committee thereof attended by a non-executive director. Non-executive directors will also be reimbursed for reasonable expenses incurred in their role as non-executive directors and may also receive Option grants under the Option Plan.

The following table sets forth all amounts of compensation provided to the directors of the Corporation (other than those directors who are also Named Executive Officers) during the year ended March 31, 2022.

Name	Fees earned <sup>(3)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value	All other compensation (\$)	Total (\$) <sup>(2)</sup>
James B. Howe	9,750	Nil	Nil	Nil	Nil	Nil	9,750
Brian J. Moss	12,500	Nil	Nil	Nil	Nil	Nil	12,500
Robert D. Steele	10,500	Nil	Nil	Nil	Nil	Nil	10,500
W. B. (Bill) Wheeler	9,250	Nil	Nil	Nil	Nil	Nil	9,250
Peter Lansom	10,000	Nil	Nil	Nil	Nil	Nil	10,000

Notes:

- (1) Represents the grant date fair value for Options granted in the year ended March 31, 2022. No Options were granted during the fiscal year ended March 31, 2022. Fair value is estimated using the Black-Scholes option pricing model. The Black-Scholes methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.
- (2) Total compensation includes the grant date fair value of Option-based awards during the year (which value is not a cash amount).
- (3) The Board approved the payment of directors' fees beginning on November 4, 2021. Accordingly, the fees earned are for the period of November 4, 2021 to March 31, 2022.

### Outstanding Share-based Awards and 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 March 31, 2022 to the non-executive directors of the Corporation. There were no share based awards outstanding at March 31, 2022.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$/per share)	Option expiration date	Value of un-exercised in-the-money-Options (\$) <sup>(1)</sup>	Number of Common Shares or units that have not vested (\$)	Market or payment value of share-based awards that have not vested (\$)	Market or payout-value of vested share-based awards not paid out or distributed (\$)
James B. Howe	200,000	\$0.10	June 21, 2022 <sup>(2)</sup>	Nil	Nil	Nil	Nil
	750,000	\$0.08	March 22, 2026	30,000	Nil	Nil	Nil

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$/per share)	Option expiration date	Value of un-exercised in-the-money-Options (\$) <sup>(1)</sup>	Number of Common Shares or units that have not vested (\$)	Market or payment value of share-based awards that have not vested (\$)	Market or payout-value of vested share-based awards not paid out or distributed (\$)
Brian J. Moss	200,000	\$0.10	June 21, 2022 <sup>(2)</sup>	Nil	Nil	Nil	Nil
	750,000	\$0.08	March 22, 2026	30,000	Nil	Nil	Nil
Robert D. Steele	200,000	\$0.10	June 21, 2022 <sup>(2)</sup>	Nil	Nil	Nil	Nil
	750,000	\$0.08	March 22, 2026	30,000	Nil	Nil	Nil
W. B. (Bill) Wheeler	200,000	\$0.10	June 21, 2022 <sup>(2)</sup>	Nil	Nil	Nil	Nil
	750,000	\$0.08	March 22, 2026	30,000	Nil	Nil	Nil
Peter Lansom	750,000	\$0.09	November 12, 2026	22,500	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the closing price on the TSX of the Common Shares on March 31, 2022 of \$0.12 and the exercise price of the Options.
- (2) Applying the Performance Criteria to these Options resulted in a Performance Multiplier of zero and as such the noted Options were not exercisable.

#### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table provides details of the aggregate value of Option-based awards held by directors (who are not also Named Executive Officers) which vested during the financial year ended March 31, 2022.

Name	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>	Share-based awards- Value vested during the year (\$)	Non-equity incentive plan – Value earned during the year (\$)
James B. Howe	7,500	Nil	Nil
Brian J. Moss	7,500	Nil	Nil
Robert D. Steele	7,500	Nil	Nil
W. B. (Bill) Wheeler	7,500	Nil	Nil
Peter Lansom	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2022 by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.

#### **Securities Authorized for Issuance Under Equity Compensation Plans**

##### ***Securities Authorized for Issuance Under Equity Compensation Plans***

The following sets forth information in respect of securities authorized for issuance under the equity compensation plans as at March 31, 2022.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding Options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding Options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	12,445,000	\$0.09	36,106,634
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>12,445,000</b>	<b>\$0.09</b>	<b>36,106,634</b>

Note:

- (1) Based on the number of outstanding Common Shares as at March 31, 2022 and the number of Options outstanding at March 31, 2022. As at March 31, 2022, there were a total of 12,445,000 Options outstanding, leaving a total of 36,106,634 Options remaining available for issue. Pursuant to the Option Plan, the maximum number of Common Shares that may be subject to Options granted and outstanding thereunder at any time shall not exceed ten percent (10%) of the outstanding Common Shares.

### ***Annual Burn Rate Under Equity Compensation Plans***

The following sets forth the number of Options granted during the periods noted below and the potential dilutive effect of such Options.

<b>Year Ended</b>	<b>Number of Options Granted</b>	<b>Weighted Average Common Shares Outstanding</b>	<b>Burn Rate<sup>(1)</sup> (%)</b>
March 31, 2022	Nil	N/A	Nil
March 31, 2021	11,340,000	227,205,000	5.0
March 31, 2020	Nil	N/A	Nil

Note:

- (1) The burn rate for a given period is calculated by dividing the number of Options granted during such period by the weighted average number of Common Shares outstanding during such period.

For further information regarding the outstanding Options held by the Named Executive Officers, see "*Statement of Executive Compensation – Incentive Plan Awards – Named Executive Officers*".

### **Indebtedness of Directors and Executive Officers**

No director, executive officer, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## **CORPORATE GOVERNANCE PRACTICES**

The Corporation's disclosure with respect to Corporate Governance Practices is set forth in Schedule "A" hereto.

### **INTEREST OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein, there were no material interests, direct or indirect, of directors or executive officers of the Corporation, of any Shareholder who beneficially owns or controls or directs, directly or indirectly, more than ten percent (10%) of the outstanding Common Shares, or any other Informed Person

(as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of the most recently completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended March 31, 2022 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management discussion and analysis are available upon request from the Chief Financial Officer of the Corporation, at 1110, 715 – 5 Avenue S.W., Calgary, Alberta T2P 2X6, (403) 205-2526.

Also see "*Audit Committee Information*" in the Corporation's annual information form for the year ended March 31, 2022 for information relating to the Audit Committee, including its mandate, composition of the Audit Committee and fees paid to the Corporation's auditors.

#### **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting of the Shareholders. However, if any other matter properly comes before the Meeting, the accompanying Instrument of Proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

#### **APPROVAL**

The contents and sending of this Information Circular - Proxy Statement have been approved by the Board.

DATED August 24, 2022.

## SCHEDULE "A"

### BENGAL ENERGY LTD. CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 ("**Form 58-101F1 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F1 Disclosure.

#### **Board of Directors**

##### **Disclose the identity of directors who are independent.**

The following four current directors of the Corporation are independent (within the meaning of National Instrument 52-110 – *Audit Committees*):

James B. Howe (Chair)  
Dr. Brian J. Moss  
Robert D. Steele  
Peter Lansom

##### **Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Chayan Chakrabarty is not independent as he is the President and Chief Executive Officer of the Corporation and is compensated as such.

W. B. (Bill) Wheeler is not independent as he beneficially owns or controls or directs, directly or indirectly, 82.2% of the issued and outstanding Common Shares and, in an examination of all relevant facts and circumstances and in accordance with applicable securities laws, it has been determined that he controls the Corporation.

##### **Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.**

Four of the six current directors are independent, including the Chair. The Board regularly holds "in-camera" sessions at its Board meetings, which sessions exclude the director who is also an officer of the Corporation. The Board feels that having four independent directors and holding in-camera sessions is sufficient to facilitate its exercise of independent supervision over management.

##### **If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):



<u>Name of Director</u>	<u>Name of Other Reporting Issuers (or equivalent)</u>
James B. Howe	Ensign Energy Services Inc. Pason Systems Inc.
Brian J. Moss	Crown Point Energy Inc.
Peter Lansom	Metgasco Limited Jade Gas Holdings Ltd.

**Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

During the year ended March 31, 2022, the independent directors did not hold any regularly scheduled meeting at which non-independent directors and management were not in attendance. The Board has adopted terms of reference for the Board (as noted below) which will require the independent directors of the Board to regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors determine advisable.

**Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

The Chair of the Board is Robert D. Steele. The role of the Chair is to manage the affairs of the Board, including being satisfied that the Board is organized properly, functions effectively, meets its obligations and responsibilities, including those matters set forth in the terms of reference of the Board and operates independently of management. Mr. Steele is an independent director.

**Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.**

The attendance record of each of the directors of the Corporation for meetings and standing committee meetings since the beginning of the financial year ended March 31, 2022 is as follows:

Name	Board Meetings Attended / Held	Audit Committee Meetings Attended / Held	Reserves Committee Meetings Attended / Held	Compensation Committee Meetings Attended / Held	Governance and Nominating Committee Meetings Attended / Held <sup>(1)</sup>	Health, Safety and Environmental Committee Meetings Attended / Held
Chayan Chakrabarty	5/5	N/A	N/A	N/A	N/A	N/A
James B. Howe	5/5	4/4	N/A	N/A	N/A	N/A
Dr. Brian J. Moss	5/5	N/A	1/1	1/1	N/A	1/1
Robert D. Steele	5/5	4/4	N/A	1/1	N/A	1/1
W. B. (Bill) Wheeler	5/5	4/4	N/A	N/A	N/A	N/A
Peter Lansom	2/2	N/A	N/A	1/1	N/A	1/1
Ian J. Towers	1/1	N/A	1/1	N/A	N/A	N/A
Peter D. Gaffney	1/1	N/A	1/1	N/A	N/A	N/A

<sup>(1)</sup> The Governance and Nominating Committee did not meet in the current fiscal year.

**Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The mandate of the Board is attached hereto as Schedule "B" hereto.

**Position Descriptions**

**Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has developed written position descriptions for the Chair of the Board, as well as the Chair of each of the committees of the Board.

**Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board, with the input of the CEO of the Corporation, has developed a written position description for the CEO.

**Orientation and Continuing Education**

**Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation and the experience and expertise of the members of the Board.

**Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

No formal continuing education program currently exists for the directors of the Corporation. However, all board members are provided with copies of the terms of reference for the Board and the Corporation's whistle blower policy. In addition, management keeps the Board apprised of developments within the oil and gas industry that may affect the governance and management of the Corporation. Any director who feels that they require any services from an outside advisor to assist with discharging their responsibilities as a director may engage one at the expense of the Corporation upon authorization by the Chair of the Audit Committee.

The Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

### **Ethical Business Conduct**

**Disclose whether or not the board has adopted a written code for the directors, officers and employees.**

The Corporation has adopted a Code of Business Conduct and Ethics for directors, officers and employees (the "**Code**"). A copy of the Code has also been posted on the Corporation's profile at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.bengalenergy.ca](http://www.bengalenergy.ca).

**Disclose how a person or company may obtain a copy of the code.**

See above.

**Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

The Board monitors compliance with the Code by requiring that each of the directors, officers, employees and consultants of the Corporation affirm in writing on an annual basis his or her agreement to abide by the Code, his or her ethical conduct during the year and disclosure with respect to any conflicts of interest. In addition, the Board has delegated to management the day-to-day responsibility for monitoring compliance with and enforcing the provisions of the Code. To ensure proper understanding of the Code, any questions as to its application will be explained fully by the employee's manager and in the case of directors and officers, by the Audit Committee of the Board.

**Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

There has been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

**Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and

extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

**Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

The Board has adopted a "Whistleblower Policy" wherein employees and consultants of the Corporation are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

**Nomination of Directors**

**Describe the process by which the board identifies new candidates for board nomination.**

The Board is responsible for recommending suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. The Board is currently comprised of four independent directors, consisting of James B. Howe, Dr. Brian J. Moss, Robert D. Steele and Peter Lansom, and two non-independent directors, Chayan Chakrabarty and W. B. (Bill) Wheeler. In making such recommendations, the Board is to consider: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

The Board is also responsible for reviewing on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.

**Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

The Board, which is responsible for nominating directors, includes four independent directors. The Board is of the view that having four independent directors and holding regular in-camera sessions is sufficient to ensure an objective nomination process.

**If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

Please see the previous response.

**Compensation**

**Describe the process by which the board determines the compensation for the issuer's directors and officers.**

See "*Information Concerning the Corporation – Statement of Executive Compensation – Compensation Discussion and Analysis*" in the case of officers and "*Information Concerning the Corporation – Statement of Executive Compensation - Compensation of Directors*" in respect of directors.

**Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

The Corporation has a Compensation Committee consisting of Dr. Brian J. Moss (Chair), Robert D. Steele and Peter Lansom, each of whom are independent.

**If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

*Compensation Matters*

*Responsibilities*

The Compensation Committee is part of the Board. Its primary functions are: (i) the oversight of the overall human resources policies and procedures including all compensation matters of the Corporation; and (ii) reviewing and making recommendations to the Board in respect of such matters.

*Specific Duties*

In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation Committee shall:

- (a) Assist the directors in meeting their responsibilities in respect of overall human resources policies and procedures including recruitment, performance management, compensation, benefit programs, resignation/terminations, training and development, succession planning and organizational planning and design;
- (b) In consultation with the Board, review and approve corporate goals and objectives relevant to the CEO's and President's compensation, undertake an annual performance review with the CEO and President evaluating their performance in light of those corporate goals and objectives and review their appraisals of the performance of the remaining officers of the Corporation;
- (c) Review the compensation philosophy and remuneration policy for employees of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
- (d) Review and recommend to the Board the retainer and fees to be paid to members of the Board and the Chair of the Board;
- (e) Recommend to the Board with respect to non CEO officer and director compensation including to review management's recommendations for proposed stock option or other incentive compensation plans and equity based plans for non CEO officer and director compensation and make recommendations in respect thereof to the Board;
- (f) Administer the stock option plan, share purchase plans and other incentive plans (collectively, the "**Incentive Plans**") approved by the Board in accordance with its terms including recommending (and if delegated authority thereunder, approve) the grant of stock options or other incentives under the Incentive Plans in accordance with the terms thereof;

- (g) Determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Corporation and its subsidiaries, as applicable, and to establish targets or criteria for the payment of such bonuses, if appropriate;
- (h) Strengthen the role of the outside directors by facilitating in depth discussions between directors on the Compensation Committee and management; and
- (i) Prepare and submit a report of the Compensation Committee to the Board for approval of the Board and inclusion of annual disclosure required by applicable securities laws to be made by the Corporation including the Compensation Committee Report required to be included in the information circular - proxy statement of the Corporation and review other executive compensation disclosure before the Corporation publicly discloses such information.

*Review of Terms of Reference*

The Compensation Committee shall review and assess its Terms of Reference periodically and otherwise as it deems appropriate and recommend changes to the Board. Such review shall include the evaluation of the performance of the Compensation Committee against the criteria defined in the Compensation Committee and Board Terms of Reference.

***Corporate Governance and Nominating Matters***

In addition to the Compensation Committee, the Corporation has established a Governance and Nominating Committee. Governance and Nominating Committee consists of W.B. (Bill) Wheeler (Chair), James B. Howe and Robert D. Steele. Each of Robert D. Steele and James B. Howe are independent.

*Responsibilities*

The Governance and Nominating Committee is part of the Board. Its primary functions are: (i) developing the approach of the Corporation to matters concerning corporate governance, including in respect of the recruitment of new members of the Board; and (ii) reviewing and making recommendations to the Board in respect of such matters.

*Specific Duties*

In addition to any other duties and authorities delegated to it by the Board from time to time, the Governance and Nominating Committee shall:

- (a) Review annually the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Governance and Nominating Committee believes are necessary or desirable;
- (b) Consider and, if thought fit, approve requests from directors or committees of directors of the engagement of special advisors from time to time;
- (c) Prepare and recommend to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
- (d) Review on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;

- (e) Assess, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board;
- (f) Make recommendations to the Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- (g) Recommend suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Governance and Nominating Committee should consider:
  - (i) the needs of the Corporation and its stage of development and the competencies and skills that the Board considers to be necessary for the Corporation and the Board, as a whole, to possess;
  - (ii) the competencies and skills that the Board considers each existing director to possess;
  - (iii) the competencies and skills each new nominee will bring to the boardroom; and
  - (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- (h) As required, develop, for approval by the Board, an orientation and education program for new recruits to the Board
- (i) To act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (j) Develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- (k) Make recommendations to the Board regarding appointments of corporate officers and senior management;
- (l) Review annually the Governance and Nominating Committee's Mandate and Terms of Reference;
- (m) Review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- (n) Establish, review and update periodically a Code of Business Conduct and Ethics (the "Code") and ensure that management has established a system to monitor compliance with the Code; and
- (o) Review management's monitor of the Corporation's compliance with the Code.

*Review of Terms of Reference*

The Governance and Nominating shall review and assess its Terms of Reference periodically and otherwise as it deems appropriate and recommend changes to the Board. Such review shall include the evaluation of the performance of the Governance and Nominating against the criteria defined in the Governance and Nominating and Board Terms of Reference.

**Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.**

In addition to the Audit, Compensation and Governance and Nominating Committees, the Corporation has established a Reserves Committee. The Reserves Committee is comprised of Dr. Brian J. Moss (Chair), Peter Lansom and Robert D. Steele, each of whom are independent. The fully independent directors comprising the Reserves Committee ensures an objective process for determining reviewing and supervising the computation and disclosure of the Corporation's reserves.

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), including:

- (p) reviewing at least annually, the Corporation's procedures relating to disclosure of information with respect to the oil and gas activities of the Corporation, including its procedures for complying with the disclosure requirements and restrictions of NI 51-101;
- (q) reviewing annually the qualifications and independence of the independent qualified reserves evaluator(s) to be appointed or re-appointed by the Board per management's recommendation, and in the case of any proposed change in the independent qualified reserves evaluator(s), determine the reasons for the proposed change and whether there have been any disputes between the appointed qualified reserves evaluator(s) and management of the Corporation;
- (r) reviewing at least annually the Corporation's procedures for providing information to the independent qualified reserves evaluator(s) for the purposes of its report on reserves data of the Corporation under NI 51-101;
- (s) before recommending that the Board approve the filing of the statement of reserves data and other oil and gas information of the Corporation, the report of management and directors on oil and gas disclosure and the report of the independent qualified reserves evaluator(s) on reserves data with the applicable regulatory authorities, meeting with management and each of the independent qualified reserves evaluator(s) to:
  - (i) determine whether any restrictions affect the ability of the independent qualified reserves evaluator(s) to report on the reserves data of the Corporation without reservation; and
  - (ii) review the statement of reserves data and other oil and gas information and the report of the independent qualified reserves evaluator(s) on reserves data;
- (t) reviewing the content and filing of: (a) the statement of reserves data and other oil and gas information; (b) the report of independent qualified reserves evaluator(s) on reserves data; and (c) the report of management and directors on oil and gas disclosure as contemplated by NI 51-101 and make a recommendation to the Board as to whether to approve the content and filing of such documents;
- (u) reviewing any public disclosure or regulatory filings with respect to any reserves evaluation and oil and gas activities, including any material change reports containing such



information, and the compliance thereof with applicable regulatory requirements, and, if appropriate, make recommendations to the Board as to their approval for the release or filing thereof;

- (v) co-ordinating meetings with the Audit Committee, the Corporation's senior reserve personnel, the independent qualified reserves evaluator(s) and the external auditor as required to address matters of mutual interest or concern in respect of the Corporation's evaluation of oil and natural gas reserves and resources; and
- (w) performing any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deems necessary or appropriate.

In addition to the Audit, Compensation, Governance and Nominating, and Reserves Committees, the Corporation has also established a Health, Safety and Environmental Committee. The Health, Safety and Environmental Committee is comprised of Peter Lansom (Chair), Brian J. Moss and Robert D. Steele, each of whom are independent.

The Health, Safety and Environmental Committee is responsible for various matters including oversight and due diligence by reviewing, reporting and making recommendations to the Board on the development and implementation of the policies, standards and practices of Bengal with respect to health, safety, security and environment. The mandate of the Health, Safety and Environmental Committee is to:

- (a) review Bengal's policies, programs and internal control systems with respect to health, workforce safety, security and environmental protection;
- (b) review Bengal's policies and programs for achieving full and continuous compliance with engineering standards, codes, regulations and applicable laws;
- (c) review and report to the Board, with respect to both workforce safety and environmental protection:
  - (i) on Bengal's performance and compliance with codes, standards, regulations and applicable laws;
  - (ii) on emerging trends, issues and regulations;
  - (iii) the findings of any significant report by regulatory agencies, external health, safety, security and environmental consultants or auditors concerning Bengal's performance and any necessary corrective measures taken to address issues and risks that have been identified by Bengal, external auditors or by regulatory agencies;
  - (iv) the results of any review with management, consultants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities or the decommissioning of facilities;
  - (v) a framework for management's decisions on abandonment and reclamation, including appropriate asset retirement obligation determination; and
  - (vi) on policies and other directives of the Corporation relating to security and the safeguarding of the Corporation's premises, installations, assets and personnel,
- (d) perform any other activities consistent with the mandate as the Health, Safety and Environmental Committee or the Board deems necessary or appropriate; and

- (e) undertake annually a review of the mandate and make recommendations to the Compensation Committee and the Governance and Nominating Committee as to proposed changes.

**Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.**

The Board, the Compensation Committee and the Governance and Nominating Committee are responsible by their respective mandates and terms of reference to evaluate the effectiveness of the Board, its committees and individual directors. The Governance and Nominating Committee developed a questionnaire that assesses the effectiveness of the Board as a whole, individual Board members and each of the committees of the Board. The assessments are conducted as needed by the Governance and Nominating Committee, with the first assessment having occurred in June 2018. The results of the assessment are summarized by the Corporate Secretary and provided to the Chair of the Governance and Nominating Committee. The Chair of the Governance and Nominating Committee presents a summary of the results to the Board as a whole and communicates the results of the committee assessment to each committee Chair.

**Director Term Limits and Other Mechanisms of Board Renewal – Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.**

The Board does not believe that fixed term limits are in the best interest of the Corporation. Therefore it has not specifically adopted term limits or other mechanisms for board renewal.

However, when considering nominees for the Board, the Governance and Nominating Committee reviews the skills and experience of the current directors of the Corporation to assess whether the Board's skills and experience need to be strengthened in any area. In addition to considering the skills and experience of the Board, the Governance and Nominating Committee also assesses the knowledge and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Governance and Nominating Committee considers both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Corporation. The Governance and Nominating Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.

#### **Policies Regarding the Representation of Women on the Board**

**Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

The Board has not adopted a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board. The Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. The Corporation is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives is in the best interests of the Corporation and its stakeholders, without reference to their age, gender, race, ethnicity or religion. While the Board recognizes the benefits of diversity at the Board level and in assessing candidates and selecting nominees for the Board

diversity will also be considered by the Governance and Nominating Committee the Board will not compromise the principles of a meritocracy.

**Consideration of the Representation of Women in the Director Identification and Selection Process – Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.**

As a result of the Corporation's commitment to meritocracy, the level of representation of women on the Board is not specifically considered in identifying and nominating candidates for election to the Board. Also see "*Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so*" above.

**Consideration given to the Representation of Women in Executive Officer Appointments – Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.**

As a result of the Corporation's commitment to meritocracy, the level of representation of women in executive officer positions is not considered when making executive officer appointments. Also see "*Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions*" below.

#### **Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

**Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. If the issuer has adopted a target, disclose (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target. Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. If the issuer has adopted a target, disclose (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.**

The Board does not specifically consider the level of female representation in Board or executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of the Corporation's executive officers as a whole.

#### **Number of Women on the Board and in Executive Officer Positions**

**Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women. Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.**

There are presently no women (0%) serving on the Board and no women (0%) serving in executive officer positions at the Corporation.

## **SCHEDULE "B"**

### **BOARD OF DIRECTORS MANDATE AND TERMS OF REFERENCE**

The board of directors (the "**Board**") of Bengal Energy Ltd. (the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will 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. In general terms, the Board will:

- A. in consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objective(s) of the Corporation;
- B. supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board;
- C. discharge the duties imposed on the Board by applicable laws; and
- D. for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will be comprised as follows and perform the following duties:

#### **I. COMPOSITION**

- A. Directors and Chair

The Board shall appoint a chairperson (the "**Chair**") from amongst the directors which comprise the Board. The majority of the directors must be independent, as defined under applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

The Chair shall act as Chair of all meetings of the Board and shareholders of the Corporation.

- B. Committees

In addition to any other committees (including special committees) which the Board may in its discretion constitute from time to time, the Board shall have the following standing committees:

- (i) Audit Committee;
- (ii) Reserves Committee;
- (iii) Compensation Committee;
- (iv) Governance and Nominating Committee; and
- (v) Health, Safety and Environmental Committee.

Certain of the responsibilities of the Board may be delegated to these or other committees of the Board. The composition and responsibilities of these standing committees and any other standing committees of the Board will be as set forth in their terms of reference, as amended from time to time, and approved by the Board.

Committee members shall be appointed by the Board. The chair of each committee may be designated by the Board or, failing that, by the members of the particular committee. The chair of each committee (or such committee member as the chair may designate) shall report the results of meetings and any associated recommendations.

The Board is responsible for:

- (i) selecting and appointing the CEO;
- (ii) establishing the CEO's position description, goals and objectives in consultation with the CEO;
- (iii) evaluating the performance of the CEO at least annually;
- (iv) in consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
- (v) working with the CEO to select and appoint executive officers and establish their goals and objectives;
- (vi) receiving annually from the CEO the CEO's evaluation of the performance of each executive officer;
- (vii) approving any proposed significant change in the management organization structure of the Corporation;
- (viii) approving all retirement plans, if any, for officers and employees of the Corporation; and
- (ix) generally providing advice and guidance to management.

## **II. COMMUNICATION**

To ensure that the Corporation has in place policies and programs that enable the Corporation to communicate effectively and in a timely manner with its shareholders, other stakeholders, analysts and the public generally the Board has adopted a Disclosure, Confidentiality and Trading Policy. The Board will review the Disclosure, Confidentiality and Trading Policy periodically as deemed necessary to ensure its objectives are being achieved and that the CEO, chief financial officer of the Corporation ("CFO") and management of the Corporation are effectively implementing the Disclosure, Confidentiality and Trading Policy.

## **III. MEETINGS AND RECORD KEEPING**

- (a) The Board shall meet regularly and at least quarterly at such times and at such locations as the Chair shall determine.
- (b) Notice of meetings shall be given to each director not less than forty-eight (48) hours before the time of the meeting (unless such notice period is waived). Meetings of the Board may be held without formal notice if all of the directors are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. The notice of the meeting may be delivered personally, given by mail, facsimile or other electronic means of communication.
- (c) Each member of the Board is expected to attend Board meetings and meetings of committees on which he or she is a member and to be familiar with deliberations and decisions as soon as possible after any missed meetings. Members of the Board are expected to prepare for meetings by reviewing

the meeting materials distributed to members of the Board, to the extent feasible, prior to such meetings.

- (d) The independent directors of the Board shall regularly hold in camera sessions of the Board, with only independent directors present and at such times as the independent directors determine advisable.
- (e) A quorum for meetings shall be a majority of the members of the Board, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.
- (f) If the Chair is not present at any meeting of the Board or at any meeting of the shareholders of the Corporation, one of the other directors who is present at the meeting shall be chosen by the Board to preside at the meeting.
- (g) The Chair shall establish the agenda for the meetings, and ensure that such agenda enables the Board to successfully carry out its duties, instruct management to circulate appropriate agenda materials to the Board with sufficient time for study prior to the meeting.
- (h) Every question at a Board meeting shall be decided by a majority of the votes cast.
- (i) Management shall receive notice of meetings and may attend meetings of the Board at the invitation of the Chair.
- (j) The Corporate Secretary of the Corporation, or any other person selected by the Board, shall act as secretary for the purpose of recording the minutes of each meeting.
- (k) The minutes of the meeting of the Board shall be placed in the Corporation's minute book.

#### **IV. DUTIES AND RESPONSIBILITIES**

In accordance with applicable laws, the Board is required to always act honestly and in good faith with a view to the best interests of the Corporation.

The primary responsibilities of the Board include:

- (a) to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
- (b) requiring the CEO to present annually to the Board a yearly business plan for the Corporation's business, which plans must:
  - (i) be designed to achieve the Corporation's principal objectives,
  - (ii) identify the principal strategic and operational opportunities and risks of the Corporation's business;
  - (iii) be approved by the Board as a pre-condition to the implementation of such plans;
  - (iv) review progress towards the achievement of the goals established in the strategic, operating and capital plans;
  - (v) identify the principal risks of the Corporation's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;

- (vi) approve the annual operating and capital plans, as may be amended from time to time; and
- (vii) approve issuances of additional common shares of the Corporation or other securities to the public;
- (c) monitoring the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;
- (d) adopting a strategic planning process in consultation with the CEO and approving, at least on an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business;
- (e) identifying the principal risks of the Corporation's business, and ensuring appropriate systems are implemented to manage these risks;
- (f) providing continuing education opportunities for all directors so they may maintain or enhance their skills and abilities as directors, as well as ensure their knowledge and understanding of the Corporation's business remains current;
- (g) adopting a succession plan which includes the appointing, training and monitoring of senior management;
- (h) adopting and reviewing on a periodic basis the Disclosure, Confidentiality and Trading Policy to ensure that disclosure made by the Corporation is accurate, informative, timely and broadly disseminated all in accordance with applicable laws and stock exchange rules;
- (i) ensuring that the Corporation has appropriate processes in place to effectively communicate with its employees, government authorities, other stakeholders and the public;
- (j) ensuring the necessary policies and procedures are in place that effectively monitor the Corporation's health, safety and environmental compliance with applicable laws, regulations and policies, including, amongst other things:
  - (i) reviewing and making recommendations concerning the Corporation's maintenance of environmental, health and safety policies, procedures and practices in the conduct of its operations, directed to prevent any injury to the employees or public and to minimize any adverse environmental impact;
  - (ii) reviewing and making recommendations with respect to such procedures and practices as they relate to documenting and reporting environmental and safety regulatory approvals, compliance and incidents;
  - (iii) reviewing and making recommendations concerning environment and safety emergency response planning procedures;
  - (iv) reviewing management's periodic status and assessment reports, not less than annually, concerning the Corporation's compliance with its corporate policies and regulatory standards for safety and environmental practices;
  - (v) examining such records as the Board deems necessary to ensure that reasonable measures are in place to prevent environmental and safety mishaps or non-compliance with regulatory requirements; and
  - (vi) the Board shall have the authority to, from time to time, request management to engage the services of qualified experts to address issues of significance to the Board. The

engagement of such specialists, the scope of the review and the remuneration of such services are to be set by the Board;

- (k) in conjunction with the Audit Committee, ensuring the necessary internal controls and management systems are in place that effectively monitor the Corporation's operations and ensure compliance with applicable laws, regulations and policies, including, amongst other things:
  - (i) reviewing on an annual basis the controls and procedures established for the certification of financial and other disclosure made by the Corporation;
  - (ii) monitoring the appropriateness of the Corporation's capital structure;
  - (iii) ensuring that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
  - (iv) in consultation with the CEO, establishing the ethical standards to be observed by all officers and employees of the Corporation and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
  - (v) requiring that the CEO institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation;
  - (vi) reviewing insurance coverage of significant business risks and uncertainties;
  - (vii) reviewing and approving the Corporation's hedging program;
  - (viii) reviewing and approving material contracts to be entered into by the Corporation;
  - (ix) recommending to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
  - (x) reviewing any dividend levels, based on information from and consultation with management and approving all changes to dividend levels, as appropriate; and
  - (xi) taking all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;
- (l) developing clear position descriptions for the Chair and, in consultation with the CEO, for the CEO;
- (m) developing or approving the corporate goals and objectives that the CEO is responsible for meeting;
- (n) monitoring compliance with the Corporation's Code of Business Conduct and Ethics;
- (o) establishing an appropriate system of corporate governance principles and guidelines applicable to the Corporation and facilitating the continuity, effectiveness and independence of the Board by, amongst other things:
  - (i) reviewing periodically the size of the Board and Board member qualifications to ensure its continued effectiveness (including, without limitation, facilitating effective decision-making) and to ensure that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements;



- (ii) regularly assessing the effectiveness and contribution of the Board, its committees and each member of the Board considering, among other things, the applicable mandate and terms of reference for the Board and each committee and in the case of each member of the Board, the competencies and skills each member is expected to bring to the Board;
- (iii) reviewing periodically the general responsibilities and function of the Board and its committees and the chair of each committee, and the roles of the Chair and the CEO;
- (iv) approving the nomination of directors;
- (v) providing a comprehensive orientation to each new director;
- (vi) establishing committees and approving their respective mandate and terms of reference and the limits of authority delegated to each committee;
- (vii) reviewing and re-assessing the adequacy of the mandate and terms of reference of the committees of the Board on a regular basis, but not less frequently than on an annual basis;
- (viii) establishing a system to enable any director to engage an outside adviser at the expense of the Corporation; and
- (ix) reviewing the adequacy and form of the annual corporate governance disclosure of the Corporation in its information circular, including the directors' compensation information included therein.

#### **V. DELEGATION**

The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.

#### **VI. STAKEHOLDER COMMUNICATION**

Any stakeholder may contact the Board by e-mail or in writing c/o the Corporate Secretary. Matters relating to the Corporation's accounting, internal accounting control or audit matters will be referred to the Audit Committee. Other matters will be referred to the Chair. Stakeholders may also directly contact the Chair.

#### **VII. STANDARDS OF LIABILITY**

Nothing contained in this Mandate and Terms of Reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board. The purposes and responsibilities outlined in this Mandate and Terms of Reference are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

#### **VIII. REVIEW OF THIS MANDATE AND TERMS OF REFERENCE**

The Board shall review and assess this Mandate and Terms of Reference and any governance principles and guidelines established by the CEO, CFO and management annually and otherwise as it deems appropriate.

Dated: March 28, 2018

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