



**TOUCHSTONE EXPLORATION INC.  
COMPENSATION AND GOVERNANCE COMMITTEE MANDATE**

**Role and Objective**

The Compensation and Governance Committee (the "**Committee**") is a committee of the Board of Directors of Touchstone Exploration Inc. (the "**Corporation**"). Its primary function is to assist the Board in carrying out its responsibilities by reviewing and approving compensation and human resources issues and making recommendations to the Board as appropriate. In particular, the Committee is responsible for discharging the Board's responsibilities relating to compensation of the Corporation's officers and the President and Chief Executive Officer.

**1. Reporting**

The Committee shall report to the Board of Directors of the Corporation.

**2. Composition of the Committee**

The Committee shall consist of a minimum of three directors appointed by the Board. All of the members of the Committee shall be independent. The Committee refers to Canadian securities regulation for definitions and guidance as to the meaning of "independent". The duties and responsibilities of a member of the Committee are in addition to his or her duties and responsibilities as a director.

**3. Appointment of Committee Members**

The Committee shall be comprised of three members or such greater number as the Board may from time to time determine, of whom the majority shall be independent directors, provided that any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board.

**4. Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

**5. Chairman**

The Board shall appoint the Chairman of the Committee. The role of the Chairman is to act as leader of the Committee to manage and co-ordinate the meetings and activities of the Committee and to oversee the execution by the Committee of its duties and responsibilities. If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside by a majority of members of the Committee present at such meeting.

**6. Meetings of the Committee**

- (a) The Committee shall meet at least annually at the call of the Chairman. The Chairman may call additional meetings as required. In addition, a meeting may be called by the Chairman of the Board, the Chief Executive Officer or any member of the Committee.
- (b) Committee meetings may be held in person, by video conference, by means of telephone, by means of other electronic or other communication facility that permits each person to

communicate with each other during the meeting or by a combination of any of the foregoing.

- (c) The Chief Executive Officer is expected to be available to attend meetings or portions thereof. The Committee may, by specific invitation, have other resource persons in attendance. The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee. Directors, who are not members of the Committee, may attend Committee meetings, on an ad hoc basis, upon prior consultation and approval by the Committee Chairman or by a majority of the Committee. At the request of the Committee or its Chairman, certain members of senior management and others may attend Committee meetings on an ad hoc or a regular basis.

## **7. Notice of Meeting**

- (a) Notice of the time and place of each meeting may be given orally, or in writing, or by facsimile to each member of the Committee at least 48 hours prior to the time fixed for such meeting.
- (b) A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

## **8. Quorum**

A majority of Committee members, present in person, by video conference, by telephone, by other electronic or communication facility or by a combination thereof, shall constitute a quorum.

## **9. Minutes**

At each meeting, the Committee shall appoint a Recording Secretary to take the minutes of the meeting. Minutes of Committee meetings shall be sent to all Committee members. The full Board of Directors shall be kept informed of the Committee's activities by a report following each Committee meeting.

## **10. Outside Resources**

The Committee may engage independent outside resources, at the expense of the Corporation, if it deems it necessary to carry out its responsibilities.

## **11. Duties and Responsibilities of the Committee**

The Committee shall:

- (a) Recommend to the Board human resources, compensation policies and programs, and guidelines for application to the Corporation and oversee the administration of such policies and guidelines as are approved by the Board;
- (b) Ensure that the Corporation has in place programs to attract and develop management of the highest caliber and has a process to provide for the orderly succession of management;
- (c) Review compliance by management of the Corporation with securities regulatory requirements governing executive compensation committees and executive compensation reporting of the Corporation, including the report on executive compensation of the Corporation required by applicable securities regulations;

- (d) Periodically review compensation policies of peer organizations to permit effective comparison with those of the Corporation;
- (e) Review the performance of the Chief Executive Officer for the purpose of determining the compensation of the Chief Executive Officer;
- (f) Approve the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and, after considering the recommendations of the Chief Executive Officer, all other Officers of the Corporation;
- (g) Annually receive from the Chief Executive Officer recommendations concerning annual compensation policies and budgets for all employees;
- (h) Periodically review with the Chief Executive Officer the Corporation's policies on compensation for all employees and overall human resources matters;
- (i) Periodically review the adequacy and form of compensation of directors and the members of Committees of the Board of Directors to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and to report and make recommendations to the Board accordingly;
- (j) Administer the stock option plan in accordance with its terms, including the grant of stock options in accordance with the terms thereof. The Committee shall be permitted to amend the provisions of any stock option agreement, in accordance with the stock option plan of the Corporation and all applicable regulations, including, without limitation, amendments related to the vesting of stock options. In addition, the Committee shall be permitted to delegate its authority with respect to the stock option plan, by resolution of the Committee; and
- (k) Any sub-committee of the Committee or any management delegate, duly authorized by resolution of the Committee, shall be permitted to exercise the authority granted to it and carry out its responsibilities in accordance with terms and provisions of such delegation of authority.

### **Mandate History**

November 16, 2012	Adopted by the Board of Directors
May 14, 2014	Corporation name changed from Petrobank Energy and Resources Ltd. to Touchstone Exploration Inc.
June 3, 2014	Approved by the Committee and the Board of Directors
March 21, 2017	Approved by the Committee and the Board of Directors
November 13, 2017	Committee named changed from Compensation Committee to Compensation and Governance Committee
March 26, 2018	Approved by the Committee and the Board of Directors
March 26, 2019	Approved by the Committee and the Board of Directors
March 25, 2020	Approved by the Committee and the Board of Directors
March 25, 2021	Approved by the Committee and the Board of Directors
March 25, 2022	Approved by the Committee and the Board of Directors
March 23, 2023	Approved by the Committee and the Board of Directors
March 20, 2024	Approved by the Committee and the Board of Directors
March 19, 2025	Approved by the Committee and the Board of Directors
March 30, 2026	Approved by the Committee and the Board of Directors