



**TOUCHSTONE EXPLORATION INC.
HEALTH, SAFETY, ENVIRONMENTAL AND RESERVES COMMITTEE MANDATE**

Role and Objective

The **Health, Safety, Environment and Reserves Committee** (the "Committee") is a committee of the Board of Directors (the "Board") of **Touchstone Exploration Inc.** (the "Corporation").

The primary function of the Committee with respect to Reserves matters is to assist the Board in the selection, engagement and instruction of an independent reserves evaluator for the Corporation and its affiliates, ensuring there is a process in place to provide all relevant reserves data to the independent reserves evaluator, monitoring the preparation of the independent reserves evaluation of the Corporation and its affiliates and reviewing the annual independent reserves evaluation of the Corporation and its affiliates and any other independent reserves evaluations prepared for the Corporation.

The primary function of the Committee with respect to Health, Safety and Environment matters is to assist the Board in fulfilling its oversight and due diligence responsibilities with respect to health, safety and environmental matters. This is done through the review, report and recommendations to the Board on the development and implementation of the policies, standards and practices of the Corporation on health, safety and environmental matters; and assisting directors in meeting their responsibilities to the Corporation in satisfying its legal, industry and community obligations pertaining to health, safety, and environmental matters. The Committee will also review and/or approve any other matters specifically delegated to the Committee by the Board.

Composition and Meetings of the Committee

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, unless otherwise determined by the Board. The majority of the members of the Committee shall meet the independence requirements set out in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. All Committee members shall be knowledgeable about the Corporation's oil and gas reserves estimating process and disclosure requirements. 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, 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 of Directors shall appoint the chairman of the Committee (the "Chairman"). 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 by a majority of the members.

6. Meetings of the Committee

The Committee shall meet as necessary to in connection with the preparation of the annual reserves evaluation of the Corporation and its affiliates, to review the draft and final reports and to form a recommendation to the Board. The Chairman may call additional meetings as required. In addition, a meeting may be called by the chairman of the Board, the President and Chief Executive Officer of the Corporation or any member of the Committee.

At the request of the Committee, certain members of senior management and others may attend Committee meetings on a regular basis. The Committee may, by specific invitation, have other 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.

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. 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 members of the Committee.

The Committee shall meet "in-camera" with the independent reserves evaluators to the public release of the annual reserves estimates of the Corporation and its affiliates.

7. Notice of Meeting

Notice of the time and place of every meeting may be given orally, or in writing, or by facsimile to each member of the Committee at least two business days prior to the time fixed for such meeting. 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. In the event the Committee consists of only two members, the quorum will be both members.

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 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 necessary to carry out its responsibilities.

Duties and Responsibilities with Respect to Reserves

The Committee shall have the following Duties and Responsibilities with respect to Reserves:

1. Procedures

Review the procedures of the Corporation relating to the disclosure of information with respect to oil and gas reserves data and in connection therewith shall:

- (a) consider the adequacy of procedures for disclosure of reserves related information to regulatory authorities and investors;
- (b) review the procedures for providing information to the independent reserves evaluators;
- (c) ensure that there is an avenue for communication between each of the independent reserves evaluators, senior management and the Board;
- (d) have a clear understanding with the independent reserves evaluators that they must maintain an open and transparent relationship with the Committee and that the ultimate accountability of the independent reserves evaluators is to the Committee for the reserves processes and related reserves disclosures;
- (e) review compliance with applicable securities laws, regulations and policies; and
- (f) make appropriate reports and recommendations to the Board concerning the disclosure of oil and gas reserves data.

2. Selection

Annually review the selection and engagement of the independent reserves evaluators, including:

- (a) considering the expertise of the proposed firms and the responsible individuals;
- (b) considering the independence of the proposed firms; and
- (c) in the case of a proposed change in the evaluators from the previous year, determining the reasons for such proposed change and whether any disputes have arisen between the previous independent reserves evaluators and management.

3. Fees

Annually review the expected fees of the independent reserve evaluators.

4. Disclosure

Review the annual reserves estimates of the Corporation and its affiliates prior to public disclosure including:

- (a) reviewing the scope of work of the independent reserves evaluators;
- (b) reviewing the reserves estimates of the independent reserves evaluators;
- (c) reviewing any material change to the reserves of the Corporation;
- (d) meeting separately with management and with the independent reserves evaluators with respect to such estimates;

- (e) determining whether any restrictions affect the ability of the independent reserves evaluators to report on the reserves data without reservation;
- (f) determining whether appropriate written consents have been obtained from the independent reserves evaluators named in the disclosure documents, as applicable;
- (g) conducting such interim reviews of internal reserves estimates as it sees fit to direct from time to time;
- (h) reviewing all matters relating to the preparation, disclosure and/or filing of information related to the reserves; and
- (i) making recommendations to the Board with respect to the content, filing and release of such disclosure, as applicable.

Duties and Responsibilities with Respect to HSE

1. Qualifications

All members of the Committee shall be generally familiar with health, safety, and environmental requirements within the energy industry, including standard procedures and applicable legislation, at the time of their appointment or shall become so within a reasonable period of time following such appointment.

2. Engaging and Retaining Advisors

The Committee may, upon notice to and approval of the Chairman of the Board, engage independent health, safety, and environmental consultants or advisors, at the expense of the Corporation, to assist the Committee in carrying out its duties. The Committee shall have sole authority to approve related fees and retention terms of any such consultant or advisor.

3. Access

The Committee shall have unrestricted and direct access to the Corporation's personnel and documents and the resources necessary to carry out its responsibilities.

4. Investigation

The Committee, at the request of the Board or on its own initiative, shall have the authority to direct and to supervise the investigation into any matter brought to its attention within the scope of its duties. Such investigation shall be conducted internally or by a third party selected by the Committee.

5. General Duties

The Committee will perform the following duties with respect to health, safety and environmental matters:

- (a) The Committee shall have the general authority to investigate any activity of the Corporation that has an impact on health, safety, and the environment. All employees are to cooperate as requested by the Committee.
- (b) Additionally, the Committee shall:
 - (i) oversee and assess management's formulation and implementation of the policies, standards and practices with respect to health, safety, and the environment;

- (ii) oversee and assess the Corporation's policies, standards and practices with respect to health, safety, and the environment and generally relating to compliance with health, safety and the environment related legal and regulatory requirements;
- (iii) review and recommend to the Board for approval any public disclosure of information relating to health, safety, and environmental incidents or the Corporation's health, safety, environmental practices, including the disclosure to be included in the Corporation's management information circular and/or annual information form before the Corporation publicly discloses this information;
- (iv) assist the Board in assessing health, safety, and environment related risks; and
- (v) assist the Board in assessing (i) the performance of the Corporation's officers with respect to, (ii) the Corporation's compliance with, and adherence to, the Corporation's health, safety, and environmental policies and procedures.

6. Additional Duties Regarding the Environment

The Committee shall have the following duties and responsibilities in relation to environmental matters:

- (a) to review and monitor the environmental policies and activities of the Corporation on behalf of the Board for the purposes of complying with environmental laws and regulation;
- (b) to recommend actions for developing policies, programs and procedures that further adherence to, and achievement of, the Corporation's environmental policies and procedures;
- (c) to review environmental compliance issues and environmentally sensitive incidents to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard;
- (d) to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended; and
- (e) to report regularly, no less than on a quarterly basis to the Board on matters coming before the Committee relating to environmental policies and activities of the Corporation for consideration and the manner of disposition.

7. Additional Duties Regarding Health and Safety

The Committee shall have the following duties and responsibilities in relation to employees' health and safety:

- (a) to review and monitor the health and safety policies and activities of the Corporation on behalf of the Board for the purposes of complying with applicable laws, regulation and policies as they relate to the health and safety of the Corporation's employees in the workplace;
- (b) to recommend actions for developing policies, programs and procedures that further adherence to, and achievement of, the Corporation's policies and procedures related to the health and safety of its employees, as well as contractors and third parties, in the workplace;

- (c) to review health and safety issues and health and safety sensitive incidents to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard;
- (d) to review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended;
- (e) to report on a timely basis and at least annually to the Board on health and safety issues and on the state of compliance with applicable laws and regulation and adherence to the policies of the Corporation; and
- (f) do such other things within the scope of its responsibilities as it may, in its discretion, deem appropriate.

Whistleblower Matters

At the request of the Audit Committee or Management, the Committee shall assist in responding to any governance related matters received in connection with the Corporation's Whistleblower Policy or raised anonymously through the Confidence Line.

Review

The Committee shall review and assess the adequacy of this Mandate annually and recommend to the Board any changes it deems appropriate, including to account for best practice guidelines recommended by, and to comply with any rules or regulations disseminated by, securities regulators and stock exchanges, to the extent appropriate for the Corporation.

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 Board of Directors
March 21, 2017	Approved by the Board of Directors
November 13, 2017	Committee named changed from Reserves Committee to Health, Safety, Environment and Reserves Committee
March 6, 2019	Mandate expanded to HSE matters and approved by Committee
March 26, 2019	Approved by the Board of Directors