

I. PURPOSE

- A.** At Tenaz Energy Corp. (the “Corporation”), corporate governance is the process and structure used to oversee the business and affairs of the Corporation with the objective of maximizing shareholder value, through fundamental alignment between management, the corporation and its employees.
- B.** The main purposes of the Governance and Human Resources Committee (the “Committee”) are:
 - i. to provide a focus on governance that will enhance the Corporation's performance, to assess and make recommendations regarding Board effectiveness and to establish and lead the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for directors; and
 - ii. to assist the Board in fulfilling its obligations relating to human resource and compensation matters.

II. COMPOSITION AND OPERATIONS

- A.** The Committee shall be composed of not fewer than two directors, all of whom are independent directors.
- B.** The Committee shall operate in a manner that is consistent with the Committee Guidelines outlined in the Board Manual.
- C.** The Committee shall meet at least annually, provided that at least one of the meetings shall be scheduled to review corporate governance disclosure and compensation information required to be included in the management information circular relating to the elections of directors pursuant to applicable securities laws.

III. GOVERNANCE DUTIES AND RESPONSIBILITIES

The Committee has the responsibility to:

- A.** Review the Corporation's structures and procedures to ensure the Board functions independently of management.
- B.** Review periodically, for Board approval, a Board Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board and Committees.
- C.** Assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, director orientation/development and the conduct of meetings and make recommendations to the Board as required.
- D.** In consultation with the Board Chair and the President, recommend committee members and committee chair appointments to the Board for approval and review

the need for, and the performance and suitability of, those committees and make recommendations as required.

- E.** At least annually, review and consider the Board's current and long-term composition by taking into account:
 - i. the size of the Board;
 - ii. the particular competencies and skills ideal for the Board, including requirements to staff certain Board committees; and
 - iii. the competencies and skills each existing director possesses.
- F.** In consultation with the Board Chair and the President and CEO, the Committee shall recommend to the Board nominees for election as members of the Board and its subsidiaries, keeping in mind the competencies and skills each new nominee will bring to the Board.
- G.** Annually review the directors' compensation program and make any recommendations to the Board for approval.
- H.** Implement evaluations of the Board, Board Chair, Board committees and individual directors.
- I.** Ensure there is a system that enables a committee or director to engage separate independent counsel in appropriate circumstances, at the Corporation's expense, and be responsible for the ongoing administration of such a system.
- J.** Oversee the Corporation's Code of Business Conduct (the "Code"), including:
 - i. periodically review the Code and recommend any necessary revisions to the Board; and
 - ii. lead the Board in considering any explicit or implicit waivers of the Code, and ensure any waivers that are approved by the Board are reported to meet regulatory requirements.
- K.** Oversee the Corporation's policy for reporting of inappropriate activity ("Whistleblower Policy").
- L.** Ensure that the Corporation's governance disclosure material is accurate and meets or exceeds all regulatory guidelines, including but not limited to:
 - i. Confirm that the Board has approved terms of reference;
 - ii. independence of the Board and its committees;
 - iii. establishment of all required and recommended Board committees;

- iv. description of Board, committee and individual director evaluation process; and
- v. ensure that all documents that are required to be publicly disclosed are available on the corporate web site, or in hardcopy by request, including but not limited to:
 - a. Terms of Reference for the Board;
 - b. Terms of Reference for the Board Chair;
 - c. Terms of Reference for Board committees, with the added responsibility of ensuring the Terms of Reference for the Audit Committee are included in the Corporation's Annual Information Form; and
 - d. Terms of reference for President & Chief Executive Officer.
- M. Recommend to the Board any reports or initiatives on corporate governance that may be required or considered advisable.

IV. HUMAN RESOURCES DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will:

- A. Recommend a performance evaluation process for the President and CEO, and, when approved, lead the implementation of the process, and approve and recommend to the Board for approval, compensation based on this evaluation.
- B. Review and recommend for Board approval corporate performance short-term and long-term incentive plan scorecards.
- C. Establish peer group selection criteria and recommend for Board approval.
- D. Determine the corporate performance and executive compensation peer group and review the appropriateness of the peer group at least annually, against agreed upon selection criteria.
- E. Review and recommend to the Board for approval the compensation philosophy, guidelines and plans for the Corporation's employees and executives.
- F. In consultation with the President and CEO, review the appointment of and make recommendations to the Board regarding the compensation, including the Stock Option Plan, incentives and bonuses and benefit plans for the executive officers, other than the President and CEO.
- G. Review the incentive compensation arrangements with the President and CEO including:

- i. designation of the employees who will participate; and
 - ii. affordability and dilution considerations.
- H. Review and endorse major changes in the organizational structure of management as proposed.
- I. Review with the President and CEO any significant public service commitments and/or outside Board appointments being considered by the President and CEO.

V. ACCOUNTABILITY

- A. The Committee Chair has the responsibility to make reports to the Board, as requested, on governance and human resource matters relative to the Corporation.
- B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.
- C. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by it. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the Committee, and the authority granted in the Terms of Reference for the Committee shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under the Terms of Reference for the Committee. The Corporation shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultants, outside legal counsel and any other advisors retained by the Committee.

In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Corporation's in-house counsel), the Committee shall take into consideration all factors relevant to that person's independence from management, including the following factors:

- i. the provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other adviser;
- ii. the amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- iii. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- iv. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;

- v. any stock of the Corporation owned by the compensation consultant, legal counsel or other advisor; and
- vi. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Corporation.

After considering the independence factors outlined above, the Committee may retain, or receive advice from, any compensation consultant, outside legal counsel or other advisor it prefers, including ones that are not independent.

Task	Meeting ⁽¹⁾				
	Q1	Q2	Q3	Q4	
Governance Duties and Responsibilities					
A.	Review structures and procedures to ensure Board independence			<input checked="" type="checkbox"/>	
B.	Review Board Manual and the terms of reference for the Board and Committees			<input checked="" type="checkbox"/>	
C.	Assess frequency and location of meetings, meeting agendas, discussion papers, reports and information, conduct of meetings	<i>As needed.</i>			
D.	Recommend committee member and chair appointments and review the need for, and the performance and suitability of committees	<i>As needed.</i>			
E.	Recommend Board composition requirements	<i>As needed.</i>			
F.	Recommend nominees for election as directors	<i>As needed.</i>			
G.	Review director compensation program			<input checked="" type="checkbox"/>	
H.	Board and Committee evaluation and Director Skills Matrix			<input checked="" type="checkbox"/>	
I.	Ensure a system that enables a committee or director to engage separate independent counsel	<i>Ongoing.</i>			
J.	Oversee Code of Business Conduct including:				
	i. review the code and recommend revisions			<input checked="" type="checkbox"/>	
	ii. ensure Code is filed on SEDAR	<i>Ongoing.</i>			
	iii. lead the Board in considering any explicit or implicit waivers of the Code	<i>As needed.</i>			
K.	Oversee the Corporation's Policy for Reporting of Inappropriate Activity (" Whistleblower Policy ")	<i>Ongoing.</i>			
L.	Ensure governance disclosure is accurate:				
	i. confirm the Board has approved terms of reference			<input checked="" type="checkbox"/>	
	ii. independence of the Board and its committees			<input checked="" type="checkbox"/>	
	iii. establishment of all required and recommended Board committees;	<i>As needed.</i>			
	iv. description of Board, committee and individual director evaluation process;			<input checked="" type="checkbox"/>	
	v. all documents require to be publicly disclosed are posted on corporate website	<i>Ongoing.</i>			
M.	Recommend any report or proposed initiatives on corporate governance	<i>As needed.</i>			

Human Resources Duties and Responsibilities					
A.	President and CEO Evaluation and recommendation to the Board for approval of compensation based on such evaluation			<input checked="" type="checkbox"/>	
B.	Review and recommend for Board approval corporate performance short-term and long-term incentive plan scorecards			<input checked="" type="checkbox"/>	
C.	Establish peer group selection criteria and recommend for Board approval	<i>As needed.</i>			
D.	Determine the corporate performance and executive compensation peer groups and review the appropriateness of the peer group at least annually, against agreed upon selection			<input checked="" type="checkbox"/>	
E.	Review compensation philosophy, guidelines and plans for the Corporation's employees and executives			<input checked="" type="checkbox"/>	
F.	Review appointment and recommend to the Board for approval the compensation for the executive officers other than the President and CEO			<input checked="" type="checkbox"/>	
G.	Review incentive compensation arrangements (i) designation of employees who will participate; and (ii) affordability and dilution impact			<input checked="" type="checkbox"/>	
H.	Review and endorse major changes in the organizational structure	<i>As needed.</i>			
I.	Review any significant public service commitments for the President and CEO	<i>As needed.</i>			

Note:

- Pursuant to the Terms of Reference for the Governance and Human Resources Committee, the Committee is required to meet at least annually.*