

CHARTER OF THE AUDIT COMMITTEE

NOVEMBER 2018



CHARTER OF THE AUDIT COMMITTEE

This Charter of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Oryx Petroleum Corporation Limited (the “**Company**”) was adopted and approved on 11 January 2013 and amended 4 November 2014, 14 March 2017 and 12 November 2018.

GENERAL

1. MANDATE

The mandate of the Committee is to:

- (a) monitor the integrity, credibility and objectivity of the Company’s financial reporting;
- (b) oversee and monitor the Company’s internal control over financial reporting;
- (c) review with the External Auditor and the Company’s management the arrangements for, and scope of, each proposed audit of the accounting records, and report to the Board any significant reservations the Committee or the External Auditor may have about such arrangements;
- (d) review, prior to submission to the Board, all financial information, budgets, cash flow projections and financial statements of the Company, and the External Auditor’s report thereon;
- (e) review the financial position and financing activities of the Company, prior to recommendation to the Board;
- (f) provide oversight for the Company with its compliance with legal and regulatory requirements; and
- (g) provide oversight of the External Auditor’s qualifications, independence and performance, and evaluate the performance of the External Auditor including reviewing their fees and making recommendations to the Board in this respect.

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2. DEFINITIONS AND INTERPRETATION

In this Charter:

- (a) **“CFO”** means the Chief Financial Officer of the Company or, in the case the Company does not have a Chief Financial Officer, the officer of the Company performing similar functions to those of a Chief Financial Officer;
- (b) **“Chair”** means the chair of the Committee;
- (c) **“Director”** means a member of the Board;
- (d) **“External Auditor”** means the Company’s independent auditor;
- (e) **“Financially Literate”** shall have the meaning ascribed to it under s. 1.6 of NI 52-110, being that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements;
- (f) **“Independent”** shall have the meaning ascribed to it under s. 1.4 and s. 1.5 of NI 52-110; and
- (g) **“NI 52-110”** means National Instrument 52-110 – *Audit Committees*.

COMPOSITION AND FUNCTIONS OF THE COMMITTEE

3. COMPOSITION

3.1 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. In addition, the Board may appoint additional members on an *ad hoc* basis as required.

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- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.2 Number of Members

The Committee shall consist of three or more Directors as determined by the Board.

3.3 Independence of Members

Subject to the exemptions in NI 52-110, each member of the Committee shall be Independent for the purposes of all applicable regulatory and stock exchange requirements and in such regard shall have no direct or indirect material relationship with the Company. For greater certainty, no officers or employees of the Company, its parent or its subsidiaries shall serve on the Committee.

3.4 Financial Literacy

Subject to the exemptions in NI 52-110, each member of the Committee shall be Financially Literate or must become Financially Literate within a reasonable period of time after his or her appointment to the Committee.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee or, if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members.

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

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4.3 Chair Duties

The Chair of the Committee is responsible for managing the process of the Committee and ensuring that the Committee effectively discharges the responsibilities set out in the Charter of the Committee. The responsibility of the Chair includes:

- (a) Working with the Chair of the Board to set annual meeting schedules for the Committee;
- (b) Establishing objectives for the Committee;
- (c) Establishing the agenda for each meeting and ensuring that appropriate materials are distributed to Committee members prior to Committee meetings;
- (d) Chairing meetings of the Committee and ensuring that the Committee is working in compliance with its Charter and discharging its mandate;
- (e) Communicating with Committee members between meetings when necessary;
- (f) Jointly with the CFO, overseeing access to and use of additional internal and external audit resources;
- (g) Managing the services provided by the External Auditor to the Company;
- (h) Ensuring that minutes of each Committee meeting accurately reflect the actions and decisions of the Committee;
- (i) Reporting to the Board as spokesperson for the Committee; and
- (j) Evaluating the contribution of each Committee member as well as the effectiveness of the Committee.

5. COMMITTEE MEETINGS

5.1 Quorum

A majority of the members of the Committee shall constitute a quorum. Members of the Committee may participate in any meeting by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating by any such means shall be deemed to be present at that meeting.

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5.2 Secretary

The Corporate Secretary of the Company shall be the Secretary of the Committee meetings, provided that if the Corporate Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Committee members who are present.

5.3 Time and Place of Meetings

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee shall meet at least four times in each fiscal year and at least once in every fiscal quarter. The Committee shall have the authority to convene additional meetings as circumstances require.

5.4 Notice of Meetings

- (a) *Notice to Committee Members.* Notice of meetings shall be given to each member not less than five business days before the time of the meeting, provided that meetings of the Committee may be held without formal notice if all of the members of the Committee 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. Notice of meeting may be given verbally or delivered personally, given by mail, facsimile or other electronic means of communication and need not be accompanied by an agenda or any other material. The notice shall however specify the purpose or purposes for which the meeting is being held.
- (b) *Notice to External and Internal Auditors.* Notice of a meeting shall be given to the External Auditor and/or the internal auditors of the Company if so requested by any member of the Committee, and meetings shall be convened whenever requested by the External Auditor in accordance with applicable law.

5.5 Minutes

Decisions or recommendations of the Committee shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all members of the Committee. A copy of the draft minutes of each meeting of the Committee and any written resolutions evidencing decisions or recommendations of the Committee shall be transmitted promptly by the Secretary to each member for adoption at the next meeting. The Committee shall report to the Board at each regularly scheduled Board meeting next succeeding any

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Committee meeting or the signing of any written resolution evidencing a decision or recommendation of the Committee.

5.6 Meetings

The Committee shall meet separately and periodically with the officers of the Company, external legal counsel, and the External Auditor. The Committee shall meet separately with the External Auditor at every meeting of the Committee at which the External Auditor is present.

5.7 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee. Any matter that the Committee does not unanimously approve will be referred to the Board for consideration.

5.8 Invitees

The Chair may invite Directors, officers and employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee as may be deemed appropriate.

6. RESOURCES AND AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management of the Company.

6.2 Investigations

The Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the External Auditor, the internal auditors and the General Counsel of the Company and other officers and employees of the Company.

6.3 Inspection of Books and Records

The members of the Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and any subsidiaries and to

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discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and the External Auditor or internal auditors of the Company and any subsidiaries.

6.4 Mandatory Attendance

Any member of the Committee may require the External Auditor to attend any or every meeting of the Committee.

6.5 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

RESPONSIBILITIES

The Company's management is responsible for preparing the Company's financial statements and the External Auditor is responsible for auditing those financial statements annually. The Committee is responsible for overseeing the conduct of those activities by the Company's management and the External Auditor and overseeing the activities of the internal audit function. The specific responsibilities of the Committee shall include those listed below, however, these responsibilities are not meant to restrict the Committee from examining any matters related to its purpose.

8. FINANCIAL REPORTING PROCESS AND FINANCIAL STATEMENTS

The Committee shall:

- (a) in consultation with the External Auditor and management review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;

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- (b) in accordance with the Company's Related Party Transaction Policy, and subject to the exemptions provided under such policy, review and recommend either approval or disapproval to the Board of all Related Party Transactions (as defined under such policy);
- (c) review and discuss with management and the External Auditor:
 - (i) the preparation of the Company's annual audited financial statements and its interim unaudited financial statements, as well as the Company's annual and interim Management Discussion and Analysis ("**MD&A**");
 - (ii) whether the financial statements present fairly (in accordance with generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented;
 - (iii) any matters required to be discussed with the External Auditor according to generally accepted auditing standards; and
 - (iv) an annual report by the External Auditor describing:
 - (A) all critical accounting policies and practices used by the Company;
 - (B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the External Auditor; and
 - (C) other material written communications between the External Auditor and management;
- (d) following completion of the annual audit, review with each of:
 - (i) management; and
 - (ii) the External Auditor

any significant issues, concerns or difficulties encountered during the course of the audit;
- (e) review the annual financial statements and reports (including annual MD&A) of the Company and any other documents including earnings press releases and press releases containing financial information of the Company that is likely to be material

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and recommend approval thereof to the Board prior to the submission of such documents to the applicable securities regulatory authorities;

- (f) review the interim financial statements and reports (including interim MD&A) of the Company and recommend approval thereof to the Board prior to the submission of such documents to the applicable securities regulatory authorities;
- (g) resolve disagreements between management and the External Auditor regarding financial reporting; and
- (h) review disclosure procedures with the Disclosure Committee established under the Company's Disclosure Policy, and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in the preceding paragraphs, and periodically assess the adequacy of those procedures.

9. EXTERNAL AUDITOR

The Committee shall:

- (a) require the External Auditor to report directly to the Committee;
- (b) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the External Auditor to be nominated for approval by the shareholders;
- (c) approve all audit engagements and pre-approve the provision by the External Auditor of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Committee may establish the types of non-audit services the External Auditor shall be prohibited from providing and shall establish the types of audit, audit-related and non-audit services for which the Committee will retain the External Auditor. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Committee to be provided by the External Auditor and the exercise of such delegated pre-approvals shall be presented to the full Committee at its next scheduled meeting following such pre-approval;

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- (d) review and approve the Company's policies for the hiring of partners, employees and former partners and employees of the current or former External Auditor;
- (e) consider, assess and report to the Board with regard to the independence and performance of the External Auditor;
- (f) request and review the audit plan of the External Auditor as well as a report by the External Auditor to be submitted at least annually regarding: (i) the internal quality-control procedures; and (ii) any material issues raised by the External Auditor's own most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the External Auditor, and any steps taken to deal with any such issues.

10. ACCOUNTING SYSTEMS AND INTERNAL CONTROLS

The Committee shall:

- (a) oversee management's design and implementation of and reporting on internal controls. The Committee shall also receive and review reports from management and the External Auditor on at least an annual basis, with regard to the reliability and effective operation of the Company's accounting system and internal controls; and
- (b) review at least annually the activities, organization and qualifications of the staffing of the finance function and discuss the responsibilities, budget and staffing of the internal audit function.

11. LEGAL AND REGULATORY REQUIREMENTS

The Committee shall:

- (a) review significant issues relating to public disclosure and reporting, in consultation with the Disclosure Committee established under the Company's Disclosure Policy;
- (b) review, prior to finalization, periodic public disclosure documents containing financial information, including the annual and interim financial statements, annual information form and MD&A and press releases and recommend approval of the foregoing to the Board prior to their disclosure or filing;

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- (c) review the Company's internal counsel legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and
- (d) assist the Board in the oversight of compliance with legal and regulatory requirements and review with internal legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

12. ADDITIONAL RESPONSIBILITIES

The Committee shall:

- (a) discuss policies with management with respect to risk assessment and strategies for risk management and mitigation;
- (b) establish procedures and policies for (i) the receipt, retention, treatment and resolution of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the submission by Directors or employees of the Company of concerns regarding questionable accounting or auditing matters; including the creation, management and periodic review of a Whistleblower Policy;
- (c) prepare and review with the Board an annual performance evaluation of the Committee; and
- (d) report regularly to the Board, including with regard to matters such as the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance of the internal audit function, and the performance and independence of the External Auditor. Minutes of each meeting of the Committee shall be recorded and maintained and provided to the Board as soon as possible following the meeting.

13. LIMITATION ON THE OVERSIGHT ROLE OF THE COMMITTEE

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the

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Company for whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the External Auditor.

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APPENDIX A

Rolling Agenda

No	Agenda Item	Mar	May	Aug	Nov
1.	Quorum and agenda	X	X	X	X
2.	Approval of the minutes of the previous meeting	X	X	X	X
3.	Matters arising from the minutes	X	X	X	X
4.	Receipt of the activity report related to internal control compliance monitoring	X			
5.	Finance update and review of the annual/interim financial statements and MD&A	X	X	X	X
6.	Receipt of reports from the External Auditor	X	X	X	X
7.	Evaluation of the External Auditor and review of the appointment or re-appointment of the External Auditor for nomination at the annual general meeting of shareholders (with recommendations to the Board)	X			
8.	Consideration of any non-audit services to be procured from the External Auditor	X	X	X	X
9.	Receipt from the Disclosure Committee of recommended changes, if any, to the Disclosure Policy (with recommendations to the Board)			X	
10.	Review of corporate risk assessment framework				X
11.	Review of related party transactions	X	X	X	X
12.	Any other business	X	X	X	X
13.	In-camera session	X	X	X	X
14.	Approval of the audited annual or interim financial statements, as applicable (with recommendations to the Board)	X	X	X	X