

# CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

**JULY 2021**



# CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE



This Charter of the Corporate Governance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Forza Petroleum Limited (the “**Company**”) was adopted and approved on 11 January 2013 and amended 6 November 2013, 4 November 2014, 29 July 2015 and 14 March 2017.

## GENERAL

### 1. MANDATE

The Board has established this Committee to assist the Board in fulfilling its obligations relating to corporate governance matters.

### 2. DEFINITIONS AND INTERPRETATION

In this Charter:

- (a) “**CEO**” means the Chief Executive Officer of the Company;
- (b) “**Chair**” means the chair of the Committee;
- (c) “**Code**” means the Code of Conduct of the Company;
- (d) “**Corporate Secretary**” means the Corporate Secretary of the Company;
- (e) “**Director**” means a member of the Board;
- (f) “**External Auditor**” means the Company’s independent auditor;
- (g) “**Independent**” shall have the meaning ascribed to it under s. 1.4 and s. 1.5 of NI 52-110;
- (h) “**NI 52-110**” means National Instrument 52-110 – *Audit Committees*; and
- (i) “**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines*.

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## 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.
- (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 from time to time.

#### 3.3 Independence of Members

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 or any of its subsidiaries shall serve on the Committee.

#### 3.4 Qualification of Members

All Committee members will have a working familiarity with corporate governance practices.

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## 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.

### 4.3 Specific Duties of the Chair

The Chair will:

#### (a) *Leadership*

- (i) Provide overall leadership to enhance the effectiveness of the Committee.
- (ii) Take all reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in this Charter, are well understood by the Committee members and executed as effectively as possible.

#### (b) *Ethics*

- (i) Foster ethical and responsible decision-making by the Committee and its individual members.

#### (c) *Committee Governance*

- (i) Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Charter.
- (ii) Oversee the structure, composition, membership and activities delegated to the Committee.
- (iii) Ensure that the Committee is composed entirely of Independent Directors.
- (iv) Review and approve any trading in securities of the Company proposed to be made by officers of the Company and oversee trading in securities of the Company made by Directors.

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### (d) *Committee Meetings*

- (i) In consultation with the Committee members, ensure that the Committee meets at least two times in each fiscal year, and as many additional times as necessary to carry out its duties effectively.
- (ii) With the Board chair, other Committee members, the Corporate Secretary, members of management and outside advisors, as appropriate, establish the dates, location and agenda for each Committee meeting.
- (iii) Chair all meetings of the Committee, including closed sessions and *in-camera* sessions.
- (iv) Ensure sufficient time during Committee meetings to fully discuss agenda items.
- (v) Encourage Committee members to ask questions and express viewpoints during meetings.
- (vi) Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- (vii) Ensure that the Committee meets in separate, regularly scheduled, *in-camera* sessions.
- (viii) Ensure that the Committee meets in separate, closed sessions with internal personnel or outside advisors, as needed and appropriate.

### (e) *Committee Reporting*

- (i) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- (ii) Ensure that Committee materials are available to all Committee members in a timely manner.

### (f) *Committee/Management Relationships*

- (i) Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from management to fulfill the Committee Charter.
- (ii) Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.

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- (iii) Have an effective working relationship with members of management.

### (g) *Evaluations*

- (i) Lead the annual Board, Committee and Director effectiveness and performance evaluations, other than that of the Committee Chair.
- (ii) Ensure that a performance evaluation of the Committee and the Committee Chair is conducted, soliciting input from all Committee members and other Directors.

### (h) *Orientation/Education*

- (i) Provide leadership for the Board's Director orientation and education programs, soliciting input from the Board.

### (i) *Advisors/Resources*

- (i) Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
- (ii) Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

### (j) *Other*

- (i) Carry out any other appropriate duties and responsibilities assigned by the Committee or delegated by the Committee.
- (ii) To honour the spirit and intent of applicable law as it evolves.

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

### **5.4 Notice of Meetings**

Notice of meetings of the Committee 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.

### **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, including any resolutions evidencing decisions or recommendations of the Committee, shall be transmitted promptly by the secretary to each member for confirmation at the next meeting. The Committee shall report to the Board at each regularly scheduled Board meeting next succeeding any Committee meeting or the signing of any written resolution evidencing a decision or recommendation of the Committee.

### **5.6 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.

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## 5.7 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. 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

### 7. GENERAL

The Committee shall assist the Board in fulfilling its oversight responsibilities with respect to: (i) the development and implementation of principles and systems for the management of corporate governance; and (ii) evaluations of the size, composition and operation of the Board, Board Committees, all individual Directors, the Board chair and committee chairs, all with a view to ensuring the Company is implementing best-in-class corporate governance practices and effective decision-making. In addition, the Committee shall assist the Board and/or the Nomination and Compensation Committee in fulfilling its obligations relating to human resources by preparing or receiving reports and making recommendations to the Board and/or Nomination and Compensation Committee, as appropriate, on matters including:

- (a) evaluation of the Company's management;
- (b) organizational structure;
- (c) management development and succession; and
- (d) such other matters as may be determined by the Board.

### 8. SPECIFIC DUTIES

#### 8.1 Governance Leadership

The Committee shall:



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- (a) take a leadership role in developing the Company's approach to corporate governance;
- (b) annually review and assess the performance of the Company's corporate governance systems and, in the Committee's discretion, recommend any changes to the Board for consideration;
- (c) ensure that the Board has appropriate structures and processes in place so that it can function independently of management; and
- (d) take all reasonable steps to ensure systems are in place to verify compliance with all regulatory, corporate governance and disclosure requirements.

### **8.2 Code of Conduct**

The Committee shall be responsible for overseeing the implementation of a compliance program for the Code to ensure that all Directors, officers and employees are made aware of it and comply with it. The Committee shall review with management from time to time the enforcement of the Code and the procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting and financial reporting controls, or auditing matters; (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and (iii) addressing a reporting counsel's report of a material breach of securities law, material breach of fiduciary duty or similar material violation. All amendments, modifications or waivers with respect to the Code shall be approved by the Committee and reported to, or approved by, if appropriate, the Board. The Committee shall oversee the disclosure of any waivers as required by law or NP 58-201.

### **8.3 Corporate Governance**

The Committee shall:

- (a) periodically review the Company's Articles of Incorporation and By-laws and, in the Committee's discretion, recommend any changes to the Board for consideration;
- (b) develop a set of corporate governance principles and guidelines that are specifically applicable to the Company;
- (c) develop a clear position description for the chair of the Board and the CEO including the corporate goals and objectives that the CEO is responsible for meeting;

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- (d) annually review and assess the adequacy of the Company's Succession Policy and, in the Committee's discretion, recommend any changes to the Board for consideration;
- (e) recommend to the Board succession planning under the Succession Policy or otherwise, including appointing, training and monitoring the officers of the Company;
- (f) once or more annually, as the Committee decides, review and assess the adequacy of the Company's corporate governance systems and, in the Committee's discretion, recommend any changes regarding the Company's corporate governance practices to the Board for consideration;
- (g) monitor developments and changes in corporate governance best practices and standards and requirements by all applicable regulating agencies, self-regulatory bodies and stock exchanges;
- (h) once or more annually, as the Committee decides, review and assess the Code and, in the Committee's discretion, recommend any changes to the Board for consideration; and
- (i) once or more annually, as the Committee decides, review and assess the charter for the Board, each Board committee and, in the Committee's discretion, recommend any changes to the Board for consideration.

### **8.4 Governance Disclosure**

The Committee shall:

- (a) ensure that the Company's governance practices are disclosed, as appropriate, in the annual proxy circular; and
- (b) take all reasonable steps to ensure that the Company's governance documents, specifically including the Code, the annual proxy circular, and all mandates and position descriptions set out in this Charter, are made available to any shareholder on request.

### **8.5 Evaluations**

The Committee shall:

- (a) regularly review and assess (i) the performance of individual Directors, Board committees, the Board, committee chairs and the Board chair measured against applicable position descriptions and mandates, (ii) the skills of each individual

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Director and the Board as a whole, and (iii) the financial independence of each individual Director;

- (b) once or more annually, as the Committee decides, review and assess the position descriptions for the Board chair, each committee chair and the CEO and, in the Committee's discretion, recommend any changes to the Board for consideration; and
- (c) to the extent feasible, satisfy itself as to the integrity of the senior executive officers and that the senior executive officers create a culture of integrity throughout the Company.

### **8.6 Share Ownership Policies**

The Committee shall:

- (a) periodically review the policy on mandatory share ownership for Directors and, in the Committee's discretion, recommend any changes to the Board for consideration; and
- (b) periodically review the policy on mandatory share ownership for the chair of the Board and the CEO and, in the Committee's discretion, recommend any changes to the Board for consideration.

### **8.7 Director Orientation/Education**

The Committee shall:

- (a) oversee the development and implementation of the Director orientation program including: a complete business overview; a strategic overview; an overview of the Company's values and operating philosophies; and, an overview of the Company's activities and commitments to corporate social responsibility; and
- (b) oversee the development and implementation of the ongoing Director education program including: education sessions on the Company's business by way of presentations and operating site visits; individual and/or group education sessions from internal personnel or external consultants on topics of importance to Directors and the Company; and, recommend formal educational opportunities through appropriate organizations to be made available to individual Directors and paid for by the Company.

### **8.8 Committee Reporting**

The Committee shall, following each Committee meeting, report to the Board on the activities, findings and any recommendations of the Committee.

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### 8.9 Other

The Committee shall:

- (a) carry out any other appropriate duties and responsibilities assigned by the Board; and
- (b) honour the spirit and intent of applicable law as it evolves.

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

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## APPENDIX 1

### Rolling Agenda

	<i>Agenda Item</i>	<i>Mar</i>	<i>May</i>	<i>Aug</i>	<i>Nov</i>
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.	Collection of Director questionnaires and review of the independence of the members of the Board and its Committees	X			
5.	Assessment of the performance of the Board and its Committees	X			
6.	Review of the charters of the Board and its Committees (with recommendations to the Board)			X	
7.	Review of the terms of reference for the Chair, Lead Independent Director, CEO and other executive directors			X	
8.	Review of the levels of delegated authority (with recommendations to the Board)			X	
9.	Review of key governance policies, including the Code			X	
10.	Review of directors appointed to the boards of subsidiary companies				X
11.	Any other business	X	X	X	X
12.	In-camera session	X	X	X	X