



## **BOARD OF DIRECTORS MANDATE**

*(Adopted by the Board of Directors on December 21, 2006)*

*(Name Change from Kulczyk Oil Ventures Inc. to Serinus Energy Inc. on June 24, 2013)*

*(Adopted by the Board pursuant to a meeting held on May 3, 2018)*

### **A. PURPOSE**

The Board of Directors (the "Board") of the Corporation has the responsibility to oversee the business of the Corporation and the activities of the Corporation's management, which is responsible for the day-to-day conduct of the Corporation's business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable, safe and ethical manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees, customers and communities may have in the Corporation. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, shall set the standards of conduct for the enterprise.

### **B. PROCEDURES AND ORGANIZATION**

The Board operates by delegating certain of its authorities to management and by preserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board and constituting committees of the full Board. Subject to the Articles and By-Laws of the Corporation and the *Business Corporations Act (Alberta)*, the Board may constitute, seek the advice of and delegate its powers, duties and responsibilities to committees of the Board.

### **C. DUTIES AND RESPONSIBILITIES**

The Board's principal duties and responsibilities fall into a number of categories, which are outlined below.



1. Legal Requirements

- (a) The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
  
- (b) The Board has the statutory responsibility to
  - (i) manage the business and affairs of the Corporation;
  - (ii) act honestly and in good faith with a view to the best interests of the Corporation;
  - (iii) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (Alberta) and the regulations thereto, the Corporation's Articles and By-Laws, the Securities Act of each province and territory of Canada, and other relevant legislation, regulations and regulatory authorities.
  
- (c) The following matters may not be delegated to management or to a committee of the Board and must be considered by the full Board.
  - (i) The submission to the shareholders of a question or matter requiring the approval of the shareholders.
  - (ii) The filling of a vacancy among the Directors or in the office of auditor.
  - (iii) The issuance of securities of the Corporation, other than options to purchase securities of the Corporation.
  - (iv) The declaration of dividends.
  - (v) The purchase, redemption or any other form of acquisition of securities issued by the Corporation.
  - (vi) The payment of a commission to any person in consideration of that



person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

- (vii) The approval of management proxy circulars.
- (viii) The approval of any take-over bid circular or directors' circular.
- (ix) The approval of financial statements of the Corporation.
- (x) The adoption, amendment or repeal of By-Laws of the Corporation.

2. Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management. To this end, the Board shall be comprised of a majority of members who would be considered "independent" within the meaning of applicable securities laws.

The independent directors shall meet regularly at which non-independent directors and members of management are not in attendance.

3. Strategy Determination

The Board has the responsibility to ensure there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through its committees in developing and approving the strategy by which it proposes to achieve its goals.

4. Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks undertaken and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.



5. Appointment Training and Monitoring Senior Management

The Board has the responsibility to

- (a) appoint the Chief Executive Officer (the "**CEO**"), to monitor and assess CEO performance, to determine CEO compensation, and to provide advice and counsel in the execution of the CEO's duties;
- (b) approve the appointment and remuneration of all corporate officers, acting upon the advice of the CEO; and
- (c) ensure that adequate provision has been made to train and develop management and for the orderly succession of management.

6. Policies Procedures and Compliance

The Board has the responsibility to

- (a) ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) approve and monitor compliance with significant policies and procedures by which the Corporation is operated;
- (c) ensure the Corporation sets high environmental standards in its operations and is in compliance with environmental laws and legislation; and
- (d) ensure the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace.

7. Reporting and Communication

The Board has the responsibility to

- (a) ensure the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;



- (b) ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (c) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (d) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and
- (e) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year.

8. Monitoring and Acting

The Board has the responsibility to

- (a) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (b) take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- (c) ensure that the Corporation has implemented adequate control and information systems which ensure the effective discharge of its responsibilities.