



Suite 650 – 669 Howe Street  
Vancouver, British Columbia  
V6C 0B4 Canada  
www.pinedaleenergy.com

## MANAGEMENT INFORMATION CIRCULAR AS AT OCTOBER 6, 2017

**This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Pinedale Energy Limited for use at the annual general and special meeting (the “Meeting”) of shareholders of Pinedale Energy Limited (“Shareholders”) to be held on November 10, 2017 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting. Except where otherwise indicated, the information contained herein is stated as of October 6, 2017.**

In this Information Circular, references to the “**Company**” and “**we**” refer to Pinedale Energy Limited “**Common Shares**” or “**Class A Shares**” means the Class “A” common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated Meeting materials unless their Intermediary assumes the costs of delivery.

#### Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), in accordance with the instructions on the Proxy.

In all cases you should ensure that the Proxy is received at least two business days before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the Proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company's proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and variation of the special rights and restrictions of the Class B Shares (defined below). For the purpose of this paragraph, "person" shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person as defined in (a) or (b).

#### **RECORD DATE AND QUORUM**

The board of directors (the "**Board**") of the Company has fixed the record date for the Meeting as the close of business on October 5, 2017 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of Shareholders is one person who is a Shareholder, or who is otherwise permitted to vote Common Shares of the Company at a meeting of Shareholders pursuant to the Articles, present in person or by Proxy.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

On the Record Date there were 13,140,647 Common Shares issued and outstanding, with each share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or any adjournment or postponement thereof.

In addition, the Company has 94,331,467 Class B common shares ("**Class B Shares**") issued and outstanding. The holders of the Class B Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company but are not entitled to vote at meetings of the shareholders of the Company. Each Class B Share is, on a pro rata basis, automatically converted into one Common Share for no additional consideration (in which case each Class B Share will be deemed to have been cancelled, and the Company will issue in place thereof a fully paid and non-assessable Common Share) unless such conversion would result in an insufficient percentage of Common Shares being in the "Public Float" (as that term is defined and such requirement is set out in the policies of the TSX-V) as determined by the Company in consultation with its legal counsel. Upon the completion of any issuance of Common Shares from treasury, the Company will review such issuance and determine whether the Company can convert any Class B Shares into Common Shares without violating the Public Float restriction described above.

**Holders of Class B Shares do not currently have a right to participate if a takeover bid is made for Common Shares of the Company.** The Class B Shares are subject to coattail provisions if an Exclusionary Offer (defined below) is made for the Class B Shares. In particular if an Exclusionary Offer is made for the Class B Shares and accepted, then the Class B Shares subject to the Exclusionary Offer cannot be sold or transferred to the person that makes an offer to purchase the Class B Shares (the “Offeror”) unless the Offeror makes an offer, on identical terms (including price per share) to the Exclusionary Offer, to purchase that percentage of Common Shares from all holders of Common Shares that is equal to the total percentage of common shares entitled to vote at meetings of shareholders of the Company that the Offeror would directly and/or indirectly own upon conversion of: (i) the Class B Shares subject to the Exclusionary Offer; and any existing Class B Shares owned directly and/or indirectly by the Offeror. For purposes of this Information Circular, “**Exclusionary Offer**” means an offer by an Offeror to purchase a sufficient number of Class B Shares which upon conversion thereof would result in the Offeror owning directly and/or indirectly greater than 20% of the common shares entitled to vote at meetings of shareholders of the Company.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the Shareholders who beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares are:

Name	Number of Common Shares Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Approximate Percentage of Total Outstanding Common Shares
Q Investments Ltd.	3,110,000 <sup>(2)</sup>	23.67%
Brad Windt	5,788,945 <sup>(3)</sup>	44.05%

**Notes:**

- (1) The above information was derived from the shareholder list maintained by the Company’s registrar and transfer agent, or from insider and beneficial ownership reports available at [www.sedi.com](http://www.sedi.com) and [www.sedar.com](http://www.sedar.com).
- (2) Q Investments Ltd. also owns 2,820,000 warrants, with each warrant exercisable into one Common Share at an exercise price of \$0.26 until June 26, 2022.
- (3) Mr. Windt also beneficially owns 84,888,888 Class B Shares and an aggregate total of 1,090,833 warrants, of which (i) 500,000 warrants are each exercisable into one Common Share at an exercise price of \$0.26 until June 26, 2022; (ii) 333,333 warrants are each exercisable into one Common Share at an exercise price of \$0.15 until April 29, 2021, and (iii) 257,500 warrants are each exercisable into one Common Share at an exercise price of \$2.00 until July 3, 2018.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

**Presentation of Financial Statements**

The audited consolidated financial statements of the Company for the financial year ended December 31, 2016, together with the auditor’s report thereon, will be placed before the Meeting.

**Election of Directors**

The Company proposes to fix the number of directors of the Company at three and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the director nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares that each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Class A Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Brad Windt</b> <sup>(2)</sup> British Columbia, Canada <i>Director, President and CEO</i>	May 31, 2017	5,788,945	Independent businessman. President and Director of 0970831 B.C. Ltd. since May 2013. Director of the Pinedale Energy Inc. since May 2013 and President and Secretary of the Pinedale Energy Inc. since June 2013.
<b>Donald Sharpe</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	May 31, 2017	1,250,754	Geophysicist. Director of Oyster Oil and Gas Ltd. since April 2013, Director of Pinedale Energy Inc. since February 2015. President and Director of Black Springs Capital Corp. from October 2011 to January 2014, Director of the Company from July 2013 to February 2016, Director of Q Investments Ltd. from December 2013 to December 2014, and Director and Chairman of San Angelo Oil Limited from February 2014 to October 2015.
<b>John Proust</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	December 17, 2007	152,506	President of J. Proust & Associates Inc., a financial consulting company engaged in the business of corporate finance, debt equity finance, mergers and acquisitions, and takeover bids.

**Notes:**

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee of the Company.

No proposed director of the Company is, or has been, within the ten years prior to the date of this Information Circular, a director or executive officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting in that capacity;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to act in that capacity, and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the ten years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **Appointment of Auditor**

Management is recommending that Shareholders vote to appoint MNP LLP of Suite 2200, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. The Board appointed MNP LLP as auditors of the Company effective February 25, 2016.

## **Approval of 20% Fixed Stock Option Plan**

At the Meeting, Shareholders of the Company will be asked to approve the implementation of a 20% fixed stock option plan (the “**Plan**”) to replace the current 10% rolling stock option plan. The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

On September 21, 2017, the Company announced that it intends to complete a private placement of up to 5,000,000 units at a price of \$0.30, for gross proceeds of up to \$1,500,000 (the “**Private Placement**”). Assuming completion (in full) of the Private Placement, it is proposed that a total of 3,628,129 Common Shares will be reserved for issuance pursuant to the exercise of options granted under the Plan (including all options granted by the Company prior to the adoption of the Plan). As of the date hereof, 1,314,064 Common Shares are reserved for issuance pursuant to the exercise of outstanding stock options. Any new options will be granted under the Plan.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan. A full copy of the Plan will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the Plan from the Company prior to the Meeting on written request.

Eligible Participants. Options may be granted under the Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company or its subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be awarded options under the Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 20% of the issued and outstanding Common Shares as at the date of implementation of the Plan by the Company (including all options granted by the Company prior to the adoption of the Plan and under the Plan). Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of options granted to any one individual in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the option is granted, unless disinterested shareholder approval is obtained. The aggregate number of options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12-month period, calculated at the date an option is granted to any such person.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the TSX Venture Exchange policy manual or such other minimum price as is permitted by the TSX Venture Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading.

Vesting. All options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the TSX Venture Exchange, if applicable, or as may be imposed by the Board.

Termination. Any options granted pursuant to the Plan will terminate upon the earliest of:

- (a) such date as the Board has fixed when the stock option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the “**Cessation Date**”) to hold the stock option;

- (b) the end of the term of the stock option;
- (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
- (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Pursuant to TSX-Venture Exchange policies, an issuer is required to seek disinterested shareholder approval for a stock option plan which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares. Accordingly, the Company is seeking disinterested shareholder approval of the adoption of the Plan from a simple majority of the votes cast at the Meeting in person or by proxy. The votes attached to an aggregate of 7,402,155 Common Shares (held/owned by directly and/or indirectly by Brad Windt, Donald Sharpe and John Proust and their Associates (as that term is defined by TSX Venture Exchange Policies) will be excluded from voting.

Disinterested Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution:

“BE IT RESOLVED THAT:

- (a) the Company’s 20% fixed stock option plan be approved to replace the Company’s current 10% rolling stock option plan, and that in connection therewith up to 3,628,129 Class A common shares be approved for granting as options and that the board of directors be and they are hereby authorized, without further shareholder approval, to make such changes to the stock option plan as may be required or approved by regulatory authorities; and
- (b) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

**Management and the Board of Directors of the Company unanimously recommend that the disinterested Shareholders vote in favour of the resolution to adopt the Plan. In the absence of instructions to the contrary, the management proxyholders will vote the Common Shares represented by each form of proxy, properly executed, FOR approving the adoption of the Plan.**

#### **Amendment of Articles of the Company**

The Company proposes to amend the Articles of the Company to provide for the following provisions: (i) to allow the Chair of directors’ meetings to have a casting vote, and (ii) to change the quorum required for directors’ meetings to be 50% of the directors in office. The purpose of the amendments to the Articles of the Company is to facilitate orderly and efficient directors’ meetings.

Article 18.2 of the Company’s Articles currently provides that matters arising at any meetings of directors are to be decided by a majority of votes, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote. The Company proposes to amend such provision such that matters arising at any meetings of directors are to be decided by a majority of votes, and in the case of an equality of votes, the chair of the meeting has a second or casting vote.

Article 18.10 of the Company’s Articles currently provides that the quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting. The Company proposes to amend such provision such that the quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at 50% of the directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution to approve the amendment to the Articles of the Company:

“BE IT RESOLVED as an ordinary resolution THAT:

- (a) Article 18.2 of the Articles of the Company be amended by allowing the Chair of directors’ meetings to have a casting vote in the case of an equality of votes;
- (b) Article 18.10 of the Articles of the Company be amended by amending the quorum requirement for a directors’ meeting from a majority to 50% of the directors in office;
- (c) the Company be authorized to revoke this resolution and abandon or terminate the amendment of the Articles of the Company if the Board deems it appropriate and in the best interests of the Company to do so without further confirmation, ratification or approval of the Shareholders; and
- (d) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required which, in the opinion of such director or officer, may be necessary or appropriate in order to give effect to this resolution.”

**Management and the Board of Directors of the Company unanimously recommend that the Shareholders vote in favour of the resolution to approve the amendment of the Articles of the Company. In the absence of instructions to the contrary, the management proxyholders will vote the Common Shares represented by each form of proxy, properly executed, FOR approving the amendment of the Articles of the Company.**

#### **Variation of Special Rights and Restrictions of Class B Common Shares**

The Company proposes to vary the special rights and restrictions of the Class B Shares in order provide holders of Class B Shares with participation rights in the event of a take-over-bid of the Common Shares or other transaction described below. The Company proposes to vary the special rights and restrictions of the Class B Shares by inserting the following subsections to Article 28.2 of the Company’s Articles:

- “(9) If a person commences a take-over bid (as such terms are defined in National Instrument 62-104 - *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) that is not exempt from Part 6 or Division 1 of Part 4 of NI 62-104, and that take-over bid is for all or a portion of the Class A Shares, then the Class B Shares will automatically be converted into Class A Shares five business days prior to the expiry of the initial deposit period referred to in the bid.
- (10) In connection with any consolidation of the Company with, or amalgamation, arrangement, merger or any other business combination of the Company with or into, another corporation or corporations (including, without limitation, pursuant to any acquisition of all or substantially all of the outstanding Class A Shares other than a take-over bid contemplated in subsection 9 above) or in case of any sale, transfer or lease to another corporation of all or substantially all the property of the Company, the Company or such successor or purchasing corporation, as the case may be, holders of Class B Shares (the “ **Holders**”) will have: (a) if the consolidation, amalgamation, arrangement, business combination merger, sale, transfer or lease requires the approval of shareholders of the Company by way of resolution or written consent, the same voting rights and consent rights as the holders of Class A Shares with respect to such transaction; and (b) the right thereafter to receive the kind and amount of shares and other securities, property and other consideration which the Holders would have owned or have been entitled to receive after the happening of such consolidation, amalgamation, arrangement, business combination merger, sale, transfer or lease had such Class B Shares been converted immediately prior to such transaction. The provisions of this Section 10 will similarly apply to successive consolidations, mergers, amalgamations, arrangements, business combinations, sales, transfers or leases.”

The Company is seeking disinterested shareholder approval of the amendment of the special rights and restrictions of the Class B Shares from a simple majority of the votes cast at the Meeting in person or by proxy. The votes attached to an aggregate of 7,039,699 Common Shares (held/owned by directly and/or indirectly by Brad Windt and Donald Sharpe) will be excluded from voting.

Disinterested Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution to approve the amendment to the special rights and restrictions of the Class B Shares:

“BE IT RESOLVED as an ordinary resolution THAT:

- (a) the amendment of the special rights and restrictions of the Class B common shares of the Company, substantially in the form set out in the information circular in respect of this shareholders’ meeting, is hereby approved;
- (b) Article 28.2 of the Company be altered by adding subsections (9) and (10), substantially in the form set out in the information circular in respect of this shareholders’ meeting;
- (c) the Company be authorized to revoke this resolution and abandon or terminate the amendment of the special rights and restrictions of the Class B common shares if the Board deems it appropriate and in the best interests of the Company to do so without further confirmation, ratification or approval of the shareholders of the Company; and
- (d) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required which, in the opinion of such director or officer, may be necessary or appropriate in order to give effect to this resolution.”

**Management and the Board of Directors of the Company unanimously recommend that the disinterested Shareholders vote in favour of the resolution to approve the amendment of the special rights and restrictions of the Class B Shares of the Company. In the absence of instructions to the contrary, the management proxyholders will vote the Common Shares represented by each form of proxy, properly executed, FOR approving the amendment of the special rights and restrictions of the Class B Shares of the Company.**

#### OTHER BUSINESS

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

#### EXECUTIVE COMPENSATION

For the purposes set out below a “**Named Executive Officer**” or “**NEO**” means:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at December 31, 2016, the end of the most recently completed financial year of the Company, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

## Director and Named Executive Officer Compensation

The following table is a summary of compensation (excluding compensation securities) paid to the directors and NEOs for each of the Company's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John Proust</b> <sup>(1)</sup> <i>Director and Former CEO</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Delarem Salem</b> <sup>(2)</sup> <i>Former CFO</i>	2016	10,000	Nil	Nil	Nil	Nil	10,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A
<b>Richard Schroeder</b> <sup>(3)</sup> <i>Former CFO</i>	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	21,051	Nil	Nil	Nil	Nil	21,051
<b>Danny Lee</b> <sup>(4)</sup> <i>Former Director</i>	2016	14,000	Nil	Nil	Nil	Nil	14,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A
<b>Eileen Au</b> <sup>(5)</sup> <i>Former Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A
<b>Donald Sharpe</b> <sup>(6)</sup> <i>Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Barry Loughlin</b> <sup>(7)</sup> <i>Former Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

### Notes:

- (1) John Proust was appointed as a director on December 17, 2007. Mr. Proust was appointed CEO on March 11, 2015 and resigned as CEO on May 31, 2017.
- (2) Delaram Salem was appointed as CFO on August 1, 2016 and resigned on May 31, 2017.
- (3) Richard Schroeder was appointed as CFO on July 3, 2013 and resigned on June 30, 2015.
- (4) Danny Lee was appointed as a director on February 4, 2016 and resigned on May 31, 2017.
- (5) Eileen Au was appointed as a director on February 4, 2016 and resigned on May 31, 2017.
- (6) Donald Sharpe was appointed as a director on July 3, 2013 and resigned on February 4, 2016. Mr. Sharpe was re-appointed as a director on May 31, 2017.
- (7) Barry Loughlin was appointed as a director on November 13, 2013 and resigned on February 4, 2016. Mr. Loughlin is currently the CFO and Corporate Secretary of the Company effective May 31, 2017.

### Stock Options and Other Compensation Securities

The Company has not granted or issued any compensation securities to the directors and NEO's of the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No stock options were exercised by the directors or NEO's during the most recently completed financial year. There were no stock options outstanding as at the end of the most recently completed financial year.

## Stock option plans and other incentive plans

See “Approval of Stock Option Plan” above for the material terms of the Company’s Plan. The Plan was previously approved by Shareholders at the special meeting held on May 29, 2017, and will be placed before the Meeting for shareholder approval.

## Employment, consulting and management agreements

The Company did not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities during the most recently completed financial year.

## Oversight and Description of Director and Named Executive Officer Compensation

The objective of the Company’s compensation program is to compensate the directors and executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its directors and executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company’s resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the directors and executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The Company does not provide medical and dental benefits, pension or other benefits to the directors and executive officers.

The base compensation of the directors and executive officers is reviewed and set annually by the Board. The chief executive officer (“CEO”) has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company’s stock option plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company’s financial resources and prospects.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Company’s most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup> (a)	Weighted-average exercise price of outstanding options, warrants and rights <sup>(1)</sup> (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) <sup>(1)</sup> (c)
Equity compensation plans approved by Shareholders (Stock Option Plan)	nil	-	247,211
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
<b>TOTAL:</b>	nil	-	247,211

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year, none of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, since the commencement of the Company's most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

On September 1, 2017, Brad Windt and Donald Sharpe (each current directors of the Company) advanced \$3,500,000 and \$500,000, respectively, representing an aggregate amount of \$4,000,000 to the Company pursuant to a promissory note (the "**Loan**"). The Loan bears interest at a rate of 10% per annum, with interest payable on a monthly basis. The Loan is payable upon demand or otherwise payable by no later than September 1, 2019 if no demand has been made. The Company may prepay all or a portion of the Loan at any time without penalty. The Loan is secured against the assets of the Company's subsidiary Pinedale Energy Inc., with such security interest subordinated to existing security holders. Net proceeds of the Loan will be used to fund the Company's participation in the drilling of additional wells in the Pinedale natural gas field in southwestern Wyoming. For further information, see the Company's new release dated June 27, 2017.

On May 31, 2017, the Company acquired all of the issued and outstanding shares of 0970831 B.C. Ltd. ("**0970831**") in exchange for the issuance of a total of 4,229,096 Common Shares and 95,770,904 Class B Shares at a price of \$0.195 per share to the shareholders of 0970831 (the "**Acquisition**"). Brad Windt and Leboeuf Bay Farms Inc. (a company controlled by Donald Sharpe) (insiders of the Company at the time of the Acquisition) were the sole shareholders of 0970831. For further information, see the Company's news releases dated March 1, 2017, May 3, 2017 and June 1, 2017.

## MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators ("**CSA**") have adopted National Policy 58-201 - *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The Board currently consists of three members: Brad Windt, Donald Sharpe, and John Proust. It is proposed that all three directors be nominated at the Meeting.

The Board has concluded that two directors, Donald Sharpe and John Proust, are "independent" for purposes of membership on the Board, as provided in NI 58-101. Brad Windt, President and CEO of the Company, is not "independent" for the purposes of membership on the Board, as provided in NI 58-101.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board facilitates open and candid discussion among its independent directors through collective communication among its directors and management.

## Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
Brad Windt	None
Donald Sharpe	Oyster Oil and Gas Ltd.
John Proust	TekModo Industries Inc. Canada Energy Partners Inc. Japan Gold Corp. Southern Arc Minerals Inc. Q Investments Ltd. Tethyan Resources plc

## Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

## Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing legislation and common law, together with corporate statutory restrictions on an individual director's participation in Board decisions in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of Shareholders.

## Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee; this function is currently performed by the Board as a whole. The Board encourages an objective nomination process through collective communication among the directors.

## Compensation

The Board has not established a formal compensation committee. Rather, the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company's directors, executives and key employees. The independent Board members evaluate the performance of senior management measured against the Company's business goals and industry compensation levels.

## Board Committees

The Board has no committees other than the audit committee.

## Assessments

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives a report from the audit committee respecting its effectiveness. As part of the assessments, the Board or the audit committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## AUDIT COMMITTEE

### Audit Committee Disclosure

Pursuant to Section 224(1) of the British Columbia *Business Corporations Act* and National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) the Company is required to have an audit committee (the “**Committee**”) comprising not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

### The Audit Committee’s Charter

The Company has adopted a Charter of the Audit Committee of the Board, a copy of which is annexed hereto as Schedule “A”.

### Composition of the Audit Committee

The Committee comprises of the following members: Brad Windt, Donald Sharpe, and John Proust. Donald Sharpe and John Proust are considered to be independent. In addition, each member of the Committee is considered to be financially literate as defined by NI 52-110 in that they have 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 presumably be expected to be raised by the Company’s financial statements.

The members of the Committee are elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board, the members of the Committee designate a chair by a majority vote of the full Committee membership.

### Relevant Education and Experience

*Brad Windt* – Mr. Windt is a former investment advisor with Canaccord Capital and was a founder and financier of Ultra Petroleum Corp and Pennaco Energy Inc. Mr. Windt brings 30 years of capital market experience with a focus on the U.S. energy markets. Mr. Windt’s experience also allows him to analyze or evaluate the Company’s financial statements.

*Donald Sharpe* – Mr. Sharpe has more than 30 years’ experience in the oil and gas business. During that time, Mr. Sharpe has gained experience in exploration, production, marketing, finance and the management of public companies. Mr. Sharpe’s experience also allows him to analyze or evaluate the Company’s financial statements.

*John Proust* - Mr. Proust is the founder and principal shareholder of numerous public and private companies. He has directed, managed and advised public and private companies regarding corporate strategy and structure, debt and equity financing, mergers and acquisitions, and corporate restructuring since 1986. Mr. Proust has held senior positions and served on the boards of many private and TSX-V/CSE listed companies. This experience has provided Mr. Proust with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Proust’s experience also allows him to analyze or evaluate the Company’s financial statements.

### Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

## Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6), or 8 of NI 52-110.

## Pre-approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Committee, on a case-by-case basis.

## External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2016	\$9,095	Nil	Nil	Nil
December 31, 2015	\$8,025	Nil	Nil	Nil

## Exemption

The Company is relying on section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by (i) mail to Suite 650 – 669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4; or (ii) telephone to: (778) 725-1488.

## DIRECTORS' APPROVAL

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board.

## ON BEHALF OF THE BOARD OF DIRECTORS

*"Brad Windt"*

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Brad Windt  
President and Chief Executive Officer

## Schedule “A”

### Charter of the Audit Committee of the Board of Directors of Pinedale Energy Limited (the “Company”)

#### **Mandate**

The primary function of the audit committee (“**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors; and (iv) to ensure the highest standards of business conduct and ethics.

#### **Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, each of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee are financially literate. For the purposes of the Company’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board of Directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

#### **Meetings**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

The CEO and CFO or their designate shall be available to attend at all meetings of the Committee upon invitation by the Committee.

Any employees as appropriate shall be available to attend and/or to provide information to the Committee upon invitation by the Committee.

#### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

##### Documents/Reports Review

- a. Review and update this Charter annually.

- b. Review the Company's financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.
- c. Review changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
- d. Review significant accruals, reserves or other estimates such as any calculations of impairment;
- e. Review adjustments raised by external auditors, whether or not included in the financial statements;
- f. Review disclosure requirements for any commitments and contingencies;
- g. Review expenses incurred by the Chairman of the Board and the CEO of the Company. The Committee is to ensure that the CEO reviews and approves all expenses incurred by direct executive reports of the CEO; and
- h. Review any other matters required by law, regulation or stock exchange that the Committee feels are important or have been delegated by the Board.

#### External Auditors

The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board and the Audit Committee. With respect to the activities of the external auditors, the Committee shall:

- a. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- b. Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- c. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- d. Take or recommend that the full Board of Directors take appropriate action to oversee the independence of the external auditors.
- e. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- f. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- g. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- h. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- i. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

- iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### Financial Reporting Processes

- a. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- b. Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- d. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h. Review certification process for certificates.
- i. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### Other

- a. Review any related party transactions.
- b. Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("**Concerns**") relating to the Company such that:
  - i. an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
  - ii. the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
  - iii. the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.