



**NOTICE OF ANNUAL GENERAL MEETING
and
INFORMATION CIRCULAR – PROXY STATEMENT**

**WITH RESPECT TO THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 22, 2017**

INPLAY OIL CORP.

**Notice of Annual General Meeting of Shareholders
to be held June 22, 2017**

TO: THE SHAREHOLDERS OF INPLAY OIL CORP.

TAKE NOTICE that the Annual General Meeting (the "**Meeting**") of the shareholders of InPlay Oil Corp. (the "**Corporation**") will be held in the Royal Room, Metropolitan Conference Centre, 333 – 4 Avenue S.W., Calgary, Alberta on Thursday, the 22nd day of June, 2017 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2016, together with the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at seven members;
3. to elect the directors of the Corporation;
4. to appoint the auditors and to authorize the directors to fix their remuneration as such; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular – Proxy Statement accompanying and forming part of this Notice.

Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Corporate Secretary of the Corporation, c/o Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile at 1-866-249-7775. Registered shareholders may also use the internet site at www.investorvote.com to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America).

Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk.

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on May 15, 2017 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later 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 such transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta, this 15th day of May, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS
OF INPLAY OIL CORP.**

(signed) "*Douglas J. Bartole*"

Chairman, President and Chief Executive Officer

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INPLAY OIL CORP.

INFORMATION CIRCULAR – PROXY STATEMENT

**FOR THE ANNUAL GENERAL MEETING
TO BE HELD ON JUNE 22, 2017**

SOLICITATION OF PROXIES

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of InPlay Oil Corp. (the "**Corporation**" or "**InPlay**") for use at the Annual General Meeting of the shareholders of the Corporation (the "**Meeting**") to be held on the 22nd day of June, 2017 at 10:00 a.m. (Calgary time) in the Royal Room, Metropolitan Conference Centre, 333 – 4 Avenue S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual General Meeting of Shareholders. **Instruments of proxy must be addressed to and reach Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by Facsimile at 1-866-249-7775, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof.** Registered shareholders may also use the internet site at www.investorvote.com to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America).

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on May 15, 2017 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands not later 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 such transferee shall be entitled to vote such shares at the Meeting.

Registered shareholders may also use the internet site at www.investorvote.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 10:00 a.m. (Calgary time) on June 20, 2017 or 48 hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxy holder to attend and vote on a shareholder's behalf at the Meeting and to convey a shareholder's voting instructions. Please note that if a shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than the persons designated in the proxy, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

Unless otherwise stated, the information contained in this Information Circular – Proxy Statement ("**Information Circular**") is given as at May 15, 2017.

BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders of common shares ("**Common Shares**") of the Corporation who do not hold their Common Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. formerly ADP Investor Communications ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

Although a Beneficial Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Holder may attend at the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

The Corporation will be delivering proxy-related materials to non-objecting Beneficial Shareholders directly with the assistance of Broadridge and intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

REVOCABILITY OF PROXY

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual General Meeting and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor.

EXERCISE OF DISCRETION BY PROXY

The shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made. **In the absence of such specification, the shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Annual General Meeting and with respect to any other matters which may be properly brought before the Meeting or any adjournment thereof. At the time of printing this Information Circular - Proxy Statement, management of the Corporation knows of no such amendment, variation or other matter.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

InPlay is authorized to issue an unlimited number of Common Shares without nominal or par value. As at May 15, 2017, being the Record Date for the Meeting, 62,396,169 Common Shares of the Corporation were issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, other than as set forth below:

Name	Number of Voting Shares	Percentage of Class
JOG Capital Corp. ⁽¹⁾⁽²⁾ Calgary, Alberta	20,946,489 Common Shares	33.57% ⁽⁴⁾
Sprott Resource Holdings Inc. ⁽³⁾ Toronto, Ontario	7,096,619 Common Shares	11.37% ⁽⁴⁾

Note:

- (1) JOG Capital Corp. is the advisor to the general partners of each of JOG Limited Partnership VI and JOG VI B Limited Partnership, which funds are the registered holders of the Common Shares.
- (2) Messrs. Cowie and Golinowski, directors of the Corporation, are also principals of JOG Capital Corp.
- (3) Mr. Yuzpe, a director of the Corporation, is also the President and Chief Executive Officer of Sprott Resource Holdings Inc.
- (4) Based on information in public filings made by the above entities and as at the date of the last public filing.

As at the Record Date, the directors and officers of InPlay, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 906,992 Common Shares or approximately 1.5% of the issued and outstanding Common Shares of InPlay.

QUORUM FOR MEETING

The Corporation's by-laws provide that a quorum at the Meeting shall consist of not less than two persons present in person holding or representing by proxy not less than five percent (5%) of the shares entitled to vote at the Meeting. If a quorum is not present at the opening of the Meeting, the shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

APPROVAL REQUIREMENTS

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval, where applicable, by more than fifty percent (50%) of the votes cast in respect of the resolutions by or on behalf of holders of Common Shares entitled to vote.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at seven members and to elect seven directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently seven directors of the Corporation, each of whom retire from office at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at seven members and in favour of the election as directors of the seven nominees hereinafter set forth.

Douglas J. Bartole	Stephen C. Nikiforuk
Donald Cowie	Dale O. Shwed
Craig Golinowski	Stephen Yuzpe
Dennis L. Nerland	

Voting for the election of directors will be conducted on an individual, and not slate, basis. **Management of InPlay recommends that shareholders vote FOR the election of each of these nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies authority to do so is withheld.**

If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the proxy shall not be voted with respect to such vacancy.

For each person proposed to be nominated as a director of InPlay, the following table sets forth their name, place of residence, age (at December 31, 2016), period served as a director, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, the offices held in the Corporation, membership on committees of the Board of Directors and a brief biography.

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾⁽²⁾
Douglas J. Bartole Calgary, Alberta, Canada	51	November, 2012	258,863
President, Chief Executive Officer and Chairman of the Board			

President and Chief Executive Officer of the Corporation since November 2012; prior thereto, Mr. Bartole was President and Chief Executive Officer of Vero Energy Inc., a public oil and gas company, from September 2005 to November 2012.

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾⁽²⁾
Donald Cowie Calgary, Alberta, Canada	63	February, 2014	Nil ⁽⁶⁾

Independent Director

Member of:
 -Compensation Committee
 -Reserves Committee

Founding Partner, Chairman of the JOG Investment Advisory Board and past President of JOG Capital Inc., a private equity investment management company.

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾⁽²⁾
Craig Golinowski Calgary, Alberta, Canada	36	May, 2014	Nil ⁽⁶⁾

Independent Director⁽⁸⁾

Member of:
 -Corporate Governance Committee

Managing Partner of JOG Capital Inc., a private equity investment management company.

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾⁽²⁾
Dennis L. Nerland, Q.C. Calgary, Alberta, Canada	64	July, 2013	78,180

Independent Director

Member of:
 -Audit Committee
 -Compensation Committee⁽³⁾
 -Corporate Governance Committee⁽³⁾

Partner, Shea Nerland LLP (a law firm).

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾⁽²⁾
Stephen C. Nikiforuk Calgary, Alberta, Canada	47	November, 2013	29,316

Lead Independent Director

Member of:

- Audit Committee⁽³⁾
- Compensation Committee

Mr. Nikiforuk has been the President of MyOwnCFO Professional Corporation since October 2011 and was President of MyOwnCFO Inc. from July 2009 to June 2012, both private companies. He was the Corporate Business Manager of 1173373 Alberta Ltd. (a private company) from July 2009 to July 2011 and the Vice President, Finance and Chief Financial Officer of Cadence Energy Inc. (formerly Kereco Energy Ltd.), a public oil and gas company, from January 2005 to March 2008. Mr. Nikiforuk is an active Chartered Professional Accountant, CA, holds an ICD.D designation as well as a Family Enterprise Advisor designation.

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾⁽²⁾
Dale O. Shwed Calgary, Alberta, Canada	57	July, 2013	78,180

Independent Director

Member of:

- Reserves Committee⁽³⁾
- Corporate Governance Committee

President and Chief Executive Officer of Crew Energy Inc., a public oil and gas company, since June, 2003; prior thereto, Mr. Shwed was the President and Chief Executive Officer of Baytex Energy Ltd., a public oil and gas company.

Nominee for Election as Director	Age	Director Since	Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾⁽²⁾
Stephen Yuzpe Toronto, Ontario, Canada	51	October, 2014	Nil ⁽⁷⁾

Independent Director

Member of:

- Audit Committee
- Reserves Committee

President and Chief Executive Officer of Sprott Resource Holdings Inc. (formerly Adriana Resources Inc.) since February 2017 and President and Chief Executive Officer of Sprott Resource Corp. (now a wholly-owned subsidiary of Sprott Resource Holdings Inc.) since October 2013; prior thereto, Mr. Yuzpe was the Chief Financial Officer of Sprott Resource Corp. from April 2009 to October 2013.

Notes:

- (1) Certain nominees also hold Options. See "*Director Compensation*".
- (2) As at December 31. The information as to shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees.
- (3) Chairman of Committee. All of the Committees are comprised solely of independent directors.
- (4) The Corporation does not have an Executive Committee.
- (5) All of the directors will hold office until the next annual meeting of shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated.
- (6) Messrs. Cowie and Golinowski do not currently own, or exercise direction and control over, any Common Shares. Such individuals are principals of JOG Capital Corp., a private equity investment management company which manages each of JOG Limited Partnership No. VI and JOG VI B Limited Partnership, which collectively own an aggregate of 20,946,489 Common Shares.

- (7) Mr. Yuzpe does not currently own, or exercise direction and control over, any Common Shares. Mr. Yuzpe is a director and senior officer of Sprott Resource Holdings Inc. (formerly Adriana Resources Inc.) a publicly listed private equity company that is transitioning into a diversified natural resource holdings company. Sprott Resource Holdings Inc. owns 7,096,619 Common Shares.
- (8) Mr. Golinowski is independent within the meaning of such term prescribed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* as the Board has determined that Mr. Golinowski has no direct or indirect material relationship with InPlay. For the purposes of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), the Board has determined that Mr. Golinowski is not independent within the meaning prescribed under NI 52-110 as he serves as managing director of JOG Capital Corp. and JOG Capital Corp. may be considered to be an affiliated entity of InPlay pursuant to NI 52-110.

Majority Voting Policy for Directors

The Board has adopted a Majority Voting Policy stipulating that in the event that any nominee for election to the Board receives a greater number of "withheld" votes than "for" votes at any meeting in which shareholders vote on an uncontested election of directors, the nominee will submit his or her resignation promptly following the meeting for consideration. The Corporate Governance Committee, which also serves as InPlay's Nominating Committee, will promptly thereafter make a recommendation to the Board whether to accept or reject the resignation. The Board's decision, including the reasons for such decision, will be disclosed by press release as soon as practicable and, in any event, within 90 days following the applicable meeting of shareholders. In determining whether to accept or reject the tendered resignation, the Board will assess the factors considered by the Corporate Governance Committee and any additional information and factors the Board believes to be relevant. Any director who tenders his or her resignation pursuant to the Majority Voting Policy will not participate in the Corporate Governance Committee's recommendation or the Board's consideration whether to accept or reject the tendered resignation or any meetings in respect thereof. If the Board determines to accept the resignation, the Board may determine in its discretion, upon recommendation of the Corporate Governance Committee, whether to fill the resulting vacancy or to continue with the reduced size of the Board until the next annual meeting of shareholders.

Experience and Background of Directors

The following table outlines the experience and background of, but not necessarily the technical expertise of, the individual members of the Board of Directors as of December 31, 2016 based on information provided by such individuals.

Director	Enterprise Management⁽¹⁾	Business Development⁽²⁾	Financial Literacy⁽³⁾	Corporate Governance⁽⁴⁾	Change Management⁽⁵⁾	Operations⁽⁶⁾	HS&E Management⁽⁷⁾	Financial Experience⁽⁸⁾	Global Experience⁽⁹⁾	Human Resources⁽¹⁰⁾	Reserves Evaluation⁽¹¹⁾	Risk Evaluation⁽¹²⁾
Douglas J. Bartole	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Donald Cowie	✓	✓	✓	✓			✓	✓		✓	✓	✓
Craig Golinowski		✓	✓	✓	✓			✓		✓		✓
Dennis L. Nerland	✓	✓	✓	✓	✓					✓	✓	✓
Stephen C. Nikiforuk		✓	✓	✓	✓			✓		✓		✓
Dale O. Shwed	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Stephen Yuzpe	✓	✓	✓	✓	✓			✓			✓	✓
Total	5	7	7	7	6	2	3	4	0	6	5	7

Notes:

- (1) Enterprise Management - experience as a President or CEO leading an organization or major business line.
- (2) Business Development / M&A / Strategic Planning - management or executive experience with responsibility for identifying value creation opportunities.
- (3) Financial Literacy - ability to critically read and analyze financial statements.
- (4) Corporate Governance - understanding of the requirements of good corporate governance usually gained through experience as a senior executive officer or a board member of a public organization.
- (5) Change Management - experience leading a major organizational change or managing a significant merger.
- (6) Operations - management or executive experience with oil and gas operations.
- (7) Health, Safety & Environment Management - understanding of the regulatory environment surrounding workplace health, safety, environment and social responsibility for the oil and gas industry.
- (8) Financial Experience - senior executive experience in financial accounting and reporting and corporate finance.
- (9) Global Experience - management or executive experience in a multi-national organization providing understanding of the challenges faced in a different cultural, political or regulatory environment.
- (10) Human Resources - management or executive experience with responsibility for human resources.
- (11) Reserves Evaluation - general experience with or executive responsibility for oil and gas reserves evaluation.
- (12) Risk Evaluation - management or executive experience in evaluating and managing the variety of risks faced by an organization.

Board Tenure and Diversity

InPlay has not adopted a policy which imposes mandatory term limits for directors. Our Board does not believe that fixed term limits are in the best interests of the Corporation or its shareholders as it is critical that the directors understand our industry and our business and this requires a certain length of tenure on the Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to the Board. It is important to achieve an appropriate balance of both to ensure the effectiveness of the Board. We believe we have achieved such a balance with the current and proposed members of the Board.

Board appointments at InPlay have always been based on finding the best individual based on merit and the requirements of the Board at that time. InPlay does not differentiate by race, colour, ethnicity, religion, gender, sexual orientation or any other aspect. InPlay has adopted a diversity policy founded on these principles. This policy provides that the Corporate Governance Committee, which is responsible for recommending director nominees to the Board, will consider candidates on merit, based on a balance of skills, background, experience, knowledge and character. InPlay has constructed a Board with a broad range of relevant experience and expertise specific to the energy sector. Potential additions to the Board are considered from time to time and will ultimately be based on merit and the contribution that the chosen candidate will bring to the Board. Our Corporate Governance Committee annually reviews the skills and experience of the current directors to assess whether the Board's skills and experience need to be strengthened in any area. While the Board recognizes the benefits of diversity within the Board, InPlay will not compromise the principles of a meritocracy by imposing specific quotas or targets.

Additional Disclosure Relating to Proposed Directors

To our knowledge, other than disclosed herein, no proposed director: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that, (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**order**"), (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer, chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (c) while that person was acting in the 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; or (ii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets; or (iii) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Dennis Nerland, a director of the Corporation, was appointed as a director of Alston Energy Inc. ("**Alston**") on July 17, 2012. On December 9, 2013, Alston filed for protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**"). On May 6, 2014 and May 8, 2014, the common shares of Alston were cease traded by the Alberta Securities Commission and the British Columbia Securities Commission, respectively, as a result of the failure by Alston to file audited annual financial statements and the related management discussion and analysis for the year ended December 31, 2013. On May 9, 2014, Alston announced that a receiver had been appointed by the Court of Queen's Bench of Alberta, at which time Mr. Nerland resigned from Alston's board of directors.

On April 2, 2015, CYGAM Energy Inc., a junior oil and gas company of which Mr. Nikiforuk was a director, filed a voluntary assignment in bankruptcy under the Bankruptcy and Insolvency Act (Canada) and the directors, including Mr. Nikiforuk, resigned concurrent therewith.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of PriceWaterhouseCoopers LLP, Chartered Professional Accountants, to serve as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. PriceWaterhouseCoopers LLP have been the Corporation's auditors since the formation of the Corporation.

DIRECTOR COMPENSATION

General

The Compensation Committee of the Board (the "**Compensation Committee**") is responsible for the development and implementation of a compensation program for the directors of InPlay who are not also officers of InPlay (the "**independent directors**"). Officers of InPlay who are also directors are not paid any compensation for acting in their capacity as a director.

The main objectives of InPlay's director compensation program are: (a) to attract and retain the services of the most qualified individuals; (b) to compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in board and committee membership and at an appropriate level within the range paid to directors of an industry-specific peer group; and (c) to align the interests of directors with our shareholders. To meet and maintain these objectives, the Compensation Committee annually performs a review of the compensation program, which includes surveying the compensation paid to the directors of an industry-specific peer group. The Compensation Committee recommends any changes to the compensation program to the Board for consideration and, where appropriate, approval.

Prior to completion of the reverse take-over business combination transaction involving the Corporation's predecessors, InPlay Oil Corp. ("**Private InPlay**") and Anderson Energy Inc. ("**Anderson**") in November, 2016 (the "**Arrangement**"), directors of InPlay were not paid any annual retainer fees nor paid for attendance at meetings of the Board. The following table sets forth the principal components of InPlay's director compensation program commencing for the year ended December 31, 2017. In addition, independent directors are entitled to be reimbursed for any expenses incurred in carrying out their duties as directors.

Compensation Component ⁽¹⁾	Amount (\$)
Board Retainer - Annual	10,000
Additional Chair Retainers – Annual:	
Lead Independent Director	5,000
Audit	5,000
Compensation	5,000
Corporate Governance	5,000
Reserves	5,000

Note:

- (1) There are no additional meeting attendance fees paid to the independent directors.

Long-Term Incentive Compensation

Each of the directors is eligible to participate in the Corporation's share option plan (the "**Option Plan**"). The Option Plan restricts the number of Common Shares issuable thereunder to non-management directors to a maximum of 1% of the issued and outstanding Common Shares and the value of all share options ("**Options**") granted to any one non-management director during a calendar year, as calculated on the date of grant, cannot exceed \$100,000. Director compensation is reviewed annually by the Compensation Committee. No formal survey is utilized but management assembles public data of comparable entities to assist the Compensation Committee. The Compensation Committee, among other things, reviews data provided by Mercer Human Resources Consulting ("**Mercer**"), an independent compensation consultant, to assess InPlay's director compensation relative to the Corporation's peer group. The compensation philosophy for directors is similar to that for executive officers in that compensation includes a base retainer and participation under the Option Plan, the benefit of which is tied to shareholder return.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2016, information concerning the compensation paid to our independent directors.

Name	Fees earned (\$)	Option-based Awards ⁽¹⁾ (\$)	Share-based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Donald Cowie	Nil	-	-	-	-	-	Nil
Craig Golinowski	Nil	-	-	-	-	-	Nil
Dennis L. Nerland	Nil	-	-	-	-	-	Nil
Stephen C. Nikiforuk	Nil	-	-	-	-	-	Nil
Dale O. Shwed	Nil	-	-	-	-	-	Nil
Stephen Yuzpe	Nil	-	-	-	-	-	Nil

Notes:

- (1) No Options were granted to the directors in the fiscal year ended December 31, 2016.
- (2) Mr. Bartole, a director of the Corporation, is the President and Chief Executive Officer of the Corporation and is therefore also a Named Executive Officer (as defined herein). See "*Summary Compensation Table*" for information with respect to Mr. Bartole's compensation.

Directors' Outstanding Option-Based and Share-Based Awards

As at December 31, 2016, there were no option-based awards held by our directors. In conjunction with completion of the Arrangement in November of 2016, all outstanding incentives in the form of share options and performance warrants previously held by the directors of Private InPlay were surrendered for cancellation. The Corporation does not have any outstanding share-based awards.

Director's Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our independent directors, the value of option-based awards which vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016. The Corporation did not have any share-based awards outstanding during the year ended December 31, 2016.

Name	Option-based Awards – Value vested during the year⁽¹⁾ (\$)	Share-based Awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Donald Cowie	Nil	N/A	Nil
Craig Golinowski	Nil	N/A	Nil
Dennis L. Nerland	Nil	N/A	Nil
Stephen C. Nikiforuk	Nil	N/A	Nil
Dale O. Shwed	Nil	N/A	Nil
Stephen Yuzpe	Nil	N/A	Nil

Notes:

- (1) The share options of Private InPlay which vested during the 2016 year have been ascribed no value as there was no market for trading of the common shares of Private InPlay prior to completion of the Arrangement in November of 2016. All of these share options were "out-of-the-money" at the time of completion of the Arrangement and were surrendered for cancellation in conjunction therewith.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Governance

Composition of the Compensation Committee

The Board has appointed a compensation committee of the Board (the "**Compensation Committee**") comprised of Messrs. Dennis L. Nerland (Chair), Stephen C. Nikiforuk and Donald Cowie. The Corporate Governance Committee has determined that each of these directors is "independent" for the purposes of National Instrument 58-201-Corporate Governance Guidelines. See Appendix "A" – "Corporate Governance Disclosure – Board of Directors". The following table sets forth the relevant education, skills and experience of each member of the Compensation Committee that enables such member to make decisions on the suitability of the Corporation's compensation policies and practice:

<u>Committee Member</u>	<u>Relevant Education and Experience</u>
Dennis L. Nerland, Q.C. (Chair) Calgary, Alberta, Canada	Mr. Nerland is the managing partner of a major Calgary law firm and has been a member of the Board of Directors of the Corporation since 2013. Mr. Nerland serves on a number of private and public boards of directors and, as such, has extensive experience in analyzing and understanding compensation issues facing public companies. Mr. Nerland has taken the Directors Education Program offered by the Rotman School and is a member of the Institute of Corporate Directors, having been ICD.D certified since 2011.
Stephen C. Nikiforuk Calgary, Alberta, Canada	Mr. Nikiforuk is an active Chartered Professional Accountant, CA and in 2013 completed the Directors Education Program developed by the Institute of Corporate Directors and holds their ICD.D designation. Mr. Nikiforuk served as the Vice President, Finance and Chief Financial Officer of Cadence Energy Inc. (formerly Kereco Energy Ltd.), a public oil and gas company, from January 2005 to March 2008. Mr. Nikiforuk is also a director of CanAir Nitrogen Inc., a private company that supplies the oil and gas industry in Alberta and British Columbia with cryogenic liquid nitrogen, and Whitecap Resources Inc., a public light oil production and development company. Mr. Nikiforuk's background provides ample experience in analyzing and understanding compensation issues facing public companies.
Donald Cowie Calgary, Alberta, Canada	Mr. Cowie holds a bachelor degree in commerce, with a major in finance, and has over 25 years of experience in the Calgary oil and gas industry. Mr. Cowie is a director of a number of public and private companies and currently sits on the Compensation Committee of Leucrotta Exploration Inc, a public oil and gas company and, as such, has experience in analyzing and understanding compensation issues facing public companies.

Compensation Committee Mandate

The Compensation Committee formulates and makes recommendations to the Board in respect of compensation issues relating to directors, officers and employees of the Corporation. Without limiting the generality of the foregoing, the Compensation Committee has the following duties:

- (a) to review the compensation philosophy and remuneration policy for employees of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
- (b) to consider the implications and the risks associated with the Corporation's compensation policies and practices;
- (c) to review and recommend to the Board the retainer and fees to be paid to members of the Board, members of committees of the Board, and chairs of the various committees of the Board;
- (d) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("**CEO**"), evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on such evaluation;

- (e) to recommend to the Board with respect to non-CEO officer and director compensation including to review management's recommendations for proposed stock option or other incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Board;
- (f) to administer the Corporation's option plan and other such incentive-compensation plans which may approved by the Board from time to time in accordance with their terms including the recommendation to the Board of the grant of options or other incentives in accordance with the terms thereof;
- (g) to determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate; and
- (h) to prepare and submit a report of the Committee to the Board in respect of the disclosures required by applicable securities laws to be provided by the Corporation in its Statement of Executive Compensation to be included in the annual information circular – proxy statement of the Corporation and review other executive compensation disclosure before the Corporation publicly discloses such information.

The Compensation Committee is required to be comprised of at least three directors, or such greater number as the Board may determine from time to time. All members of the Compensation Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Compensation Committee, meetings of the Committee are to take place at least one time per year and at such other times as the Chair of the Compensation Committee may determine.

Compensation Consultant or Advisor

Other than review of the annual energy industry compensation survey conducted by Mercer, an independent compensation consultant, at no time in the most recently completed financial year of the Corporation has a compensation consultant or advisor been retained by the Corporation to assist the Board or the Compensation Committee in determining the compensation of the directors or executive officers of the Corporation.

No fees were billed by any consultant or advisor for services related to determining compensation for any of the Corporation's directors or executive officers in the two most recently completed financial years.

Compensation Discussion and Analysis

Compensation Principles and Objectives

Compensation Review Process

InPlay's compensation program for all of our employees, including our senior officers, is comprised of three principal components: base salary, short-term incentive compensation comprised of annual discretionary cash bonuses and long-term incentive compensation comprised of Options. Together, these components are designed to achieve the following key objectives:

- to support InPlay's overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance based by ensuring that a significant portion of annual (cash bonuses) and long-term (stock options) incentive compensation is tied to corporate performance and shareholder return and, therefore, is at risk (not guaranteed) and variable year-over-year;
- to provide incentives which encourage superior corporate performance and retention of highly skilled and talented employees; and
- to align executive compensation, particularly by awarding a significant portion of long-term incentive compensation in the form of Options, with corporate performance and therefore shareholders' interests.

The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of InPlay's compensation package. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance based, or "at risk" compensation, is designed to encourage both short-term and long-term performance of InPlay. At more senior levels of the organization, a significant portion of compensation eligible to be paid is variable performance based compensation which places a greater emphasis on rewarding employees for their individual contributions, business results of InPlay and long term value creation for shareholders.

When determining compensation, including the assessment of the competitiveness of InPlay's compensation program, management and the InPlay Board reviews the compensation practices of companies in its peer group. InPlay's peer group for these purposes is comprised of similar sized companies based upon such factors as production, revenue, total assets, free cash flow, capital expenditures and number of employees. These companies compete with InPlay for executive talent, operate in a similar business environment and are of similar size, scope and complexity. To provide additional benchmarking information, InPlay also obtains industry reports and general compensation surveys conducted by independent consultants which may provide additional comparative information.

Together with the comparative data, the President and Chief Executive Officer annually assesses the individual performance and development of each executive officer, and recommends to the Compensation Committee the appropriate salary, annual incentive and long-term incentive for each individual. The Compensation Committee then reviews these recommendations, in conjunction with its own review of the Corporation's performance, executive performance, including that of the President and Chief Executive Officer, and comparative data, and thereafter recommends to the Board of Directors the compensation package payable to the executive officers for the Board's review, discussion and approval.

Historically, the Compensation Committee has not set specific performance targets in assessing the performance of the Chief Executive Officer and other executive officers, rather the Compensation Committee has used its experience and judgment in determining an overall compensation package for the executive officers. However, performance measures commonly used by the Compensation Committee in assessing the performance of the Corporation and its executive officers include: (a) total shareholder return; (b) per share reserves growth; (c) absolute and per share production growth; (d) finding and on stream costs (for both current and longer periods); (e) recycle ratio; (f) overall and per share oil and gas reserve changes, looking at both proved and probable reserves; (g) operating costs and the change in operating costs per barrel of oil equivalent ("**Boe**") in the context of the overall market; (h) funds from operations per share changes; (i) environmental, health and safety and (j) development and execution of corporate objectives and near and long term strategic plans. The Compensation Committee then assesses the individual performance of the President and Chief Executive Officer and each of the other executive officers of the Corporation and uses its experience and judgment in determining an overall compensation package for such individuals. The President and Chief Executive Officer assists the Compensation Committee with the performance assessment of the other executive officers.

Components of our Compensation Program

Our executive compensation program provides a balanced set of components designed to deliver the objectives of our compensation philosophy and includes strong performance orientation. The fixed components, base salaries and other typical employment benefits, provide a competitive base of secure compensation necessary to attract and retain executive talent. The variable components, short-term incentives in the form of annual cash bonuses and long-term incentives in the form of Options, are designed to balance performance and short-term goals with the long-term interests and goals of InPlay and its shareholders and motivate superior performance. The long-term incentives also align executive officers with shareholders and helps retain executive talent. The combination of the fixed components and the variable incentive opportunities delivers a competitive compensation package with a significant portion linked to both corporate and individual performance.

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities and the level of skills and experience required to successfully perform his role. The payment of base salaries is a fundamental component of the Corporation's compensation program and serves to attract and retain highly qualified executives. The Corporation intends to pay base salaries to its executive officers, including the Chief Executive Officer, that are competitive with those for similar positions within our

selected peer group. Salaries of the executive officers, including that of the Chief Executive Officer, are reviewed annually by our Compensation Committee based upon a review of corporate and personal performance and individual levels of responsibility. Salaries for executive officers are not determined based on specific benchmarks, performance goals or a specific formula. Salaries are set to be competitive with industry levels and the Compensation Committee has regard to the contributions made by the executive officers. In assessing comparability and competitiveness, we rely upon salary and other remuneration data provided by Mercer as well as other compensation information obtained from public disclosure documents of comparable issuers. Consideration is given to the time period evaluated in industry surveys and public data and to the business climate applicable at the time with respect to industry demand for experienced personnel.

Short-Term Incentive Compensation – Annual Cash Bonuses

In addition to base salaries, the Corporation has a discretionary bonus plan pursuant to which the Board, upon recommendation of the Compensation Committee, may award annual cash bonuses to all employees, including executive officers. The bonus element of InPlay's executive compensation program is designed to reward both corporate and individual performance during the Corporation's last completed financial year. To determine bonus awards for senior personnel, including executive officers, the Compensation Committee considers both the executive's personal performance and the performance of the Corporation relative to its peers. The amount of the annual cash bonus paid historically where applicable was not set in relation to any specific formula but was the result of a subjective assessment of the Corporation's performance and each officer's contribution to such performance.

Personal performance of employees is evaluated by the Chief Executive Officer in consultation with other executive personnel and is based on certain subjective factors such as demonstrated leadership and individual contributions to the success of the Corporation. Personal performance for each executive officer is evaluated by the Compensation Committee in consultation with the Chief Executive Officer and is based on a subjective analysis of the individual's contribution to the corporate performance of the Corporation. After assessing corporate and personal performance, the Compensation Committee reviews, at its discretion, such other factors it considers relevant to its decision as to whether bonuses will be payable and, if so, the amounts of such bonuses. The proposed bonus amounts for executive officers are then recommended by the Compensation Committee for review, discussion and approval by the Board of Directors.

Long-Term Incentive Compensation –Share Options

Executive officers, along with all of InPlay's officers, directors, employees and other service providers, are eligible to participate in the Corporation's Option Plan. The Option Plan provides a long-term incentive designed to focus and reward eligible participants for enhancing total shareholder return over the long-term both on an absolute and relative basis. The Option Plan promotes an ownership perspective among and encourages the retention of key employees and provides an incentive to enhance shareholder value by furthering InPlay's growth and profitability. As with most companies in InPlay's peer group, options form an integral component of the total compensation package provided to InPlay's executive officers. Participation in the Option Plan rewards overall corporate performance, as measured through the price of the Corporation's Common Shares. Awards of Options increase the pay-at-risk component for executives and align their interests with the interests of shareholders. In addition, the Option Plan enables executives to develop and maintain a significant ownership position in the Corporation. This results in a significant portion of executive compensation being "at risk" and directly linked to the achievement of business results and long-term value creation for shareholders.

Options are normally recommended by management and approved by the Board upon the commencement of an individual's employment with InPlay based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within InPlay. In considering additional grants, the Compensation Committee and the Board has flexibility in the determination of the size of the award and takes into account all relevant circumstances, including the number of Options held by such individual, the exercise price and implied value of the Options, the term remaining on those Options and the total number of Options the Corporation has available for grant under its Option Plan. The maximum number of Common Shares issuable on exercise of outstanding Options at any time is limited to 10% of the issued and outstanding Common Shares. For further information, see "*Incentive Plans – Share Option Plan*".

As of May 15, 2017, an aggregate of 4,892,400 Common Shares were reserved for issuance upon the exercise of Options granted in early 2017 under the Option Plan (representing approximately 7.8% of the currently outstanding Common Shares).

Other Perquisites

The Corporation also provides executive officers, along with all other employees, with other employment benefits typical of those provided by our peers in the Canadian oil and gas industry including life and disability insurance and extended health and dental coverage.

Risk Implications Associated with Compensation Policies and Practices

As described herein, the Corporation's executive compensation program is administered by the Compensation Committee. In carrying out its mandate, the Compensation Committee reviewed the elements of compensation of the Corporation to identify any risks arising from the Corporation's compensation policies and practices that could reasonably be expected to have a material adverse effect on the Corporation as well as the practices used to mitigate any such issues. The Compensation Committee has determined that the compensation program and policies of the Corporation do not encourage its senior executives to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (i) the compensation program of the Corporation attempts to achieve a balance between cash and equity compensation which are based both on individual and corporate performance, both financial and non-financial and the overall compensation program is market based and aligned with the Corporation's business plan and long term strategies; (ii) the Corporation's compensation policies and practices are generally uniform throughout the organization and there are no significant differences in compensation structure among the senior executives; (iii) in exercising its discretion under the cash bonus plan and Option grants, the Compensation Committee reviews individual and corporate performance taking into account the long-term interests of the Corporation; (iv) awarding a significant portion of long term incentive compensation in the form of Options provides a direct link between corporate performance and the level of payout received; (v) using a variety of measures to assess corporate performance; (vi) Options granted under the Option Plan generally vest over a 3 year period which further mitigates any short-term risk taking potential; and (vii) results of annual assessments of personal contributions of senior executives' goals, objectives and performance are reviewed and considered in awarding compensation and such discretionary judgement is applied in awarding both discretionary bonuses under the cash bonus plan, Option grants and future compensation.

Restrictions on Purchase of Financial Instruments

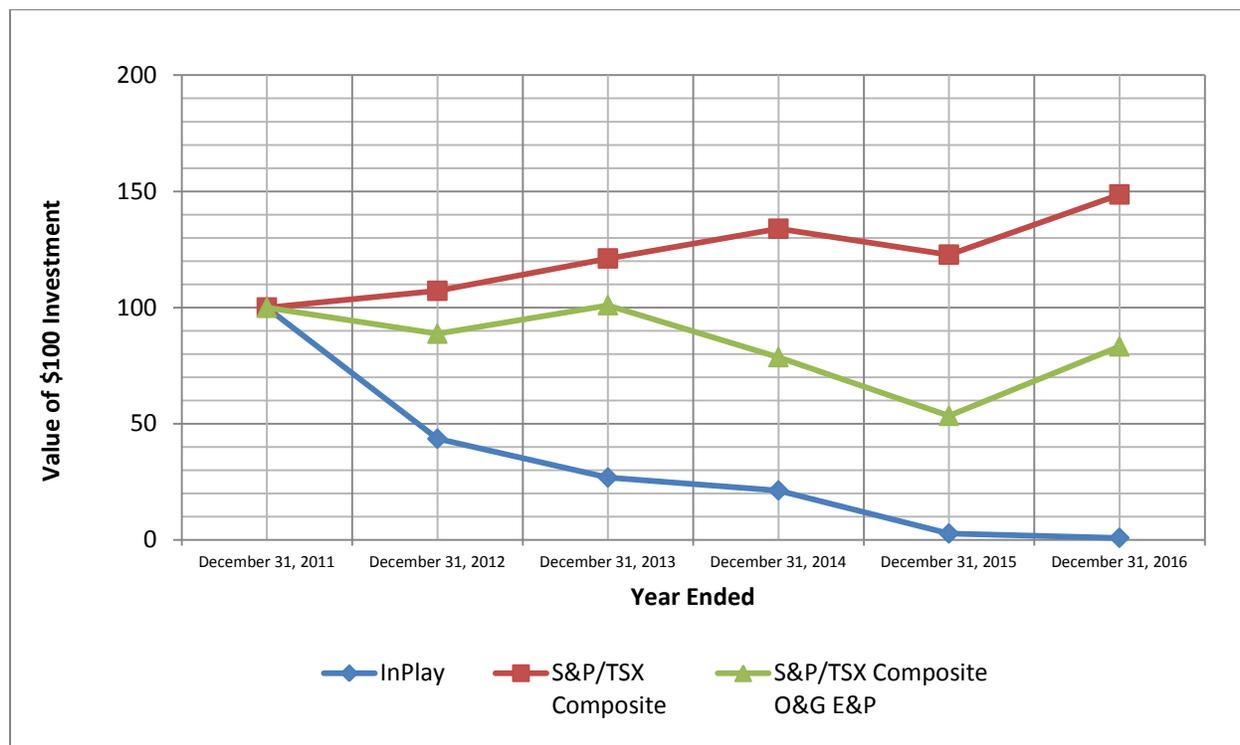
The Corporation's Disclosure, Confidentiality and Trading Policy provides that directors, officers and all employees of the Corporation, are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by such individuals. Accordingly, none of the directors and executive officers of InPlay have engaged in such activities.

Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee has reviewed the compensation regime and is satisfied that the current levels of total compensation are reflective of competitive market practices, align pay for performance with the interests of shareholders and support InPlay's objective to attract, retain and motivate highly capable executive talent. Through the compensation program described above, a significant portion of the compensation for all employees, including executives, is based on corporate performance, as well as industry-competitive pay practices. The Compensation Committee and the Board of Directors of InPlay will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Performance Graph

The following graph illustrates the change in cumulative shareholder return as measured by the closing price of our Common Shares at the end of each of the financial years for the periods illustrated, assuming an initial investment of \$100 on December 31, 2011, compared to the S&P/TSX Composite Index and the S&P/TSX Composite Oil and Gas, E&P (sub-index), assuming the reinvestment of dividends where applicable. **The data for the period December 31, 2011 to November 10, 2016 reflects the period prior to completion of the Arrangement when the Corporation's publicly listed predecessor, Anderson Energy Inc., was managed by a different executive team.**



	2011/12	2012/12	2013/12	2014/12	2015/12	2016/12
InPlay Oil Corp.	100	44	27	21	3	1
S&P/TSX Composite Index ⁽¹⁾	100	107	121	134	123	149
S&P/TSX Composite O&G, E&P Sub-Index	100	89	101	79	53	83

Note:

- (1) Total Return Index.
- (2) Prior to completion of the Arrangement on November 7, 2016, the Common Shares of Anderson Energy Inc. were listed for trading on the TSX under the trading symbol "AND".
- (3) Following the completion of the Arrangement, the Common Shares commenced trading on the TSX in substitution for the common shares of Anderson under the trading symbol "IPO" effective November 10, 2016.

The Named Executive Officers became officers of the Corporation upon completion of the Arrangement on November 7, 2016. Prior to completion of the Arrangement, the Named Executive Officers were officers of Private InPlay, the performance of which is not reflected in the above graph for this prior period.

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2016, 2015 and 2014, information concerning the compensation paid to our Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or the three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, whose total compensation was more than \$150,000 (each a "Named Executive Officer" or "NEO" and collectively, the "Named Executive Officers" or "NEOs").

Name and principal position	Year	Salary (\$)	Option-based awards ⁽¹⁾ (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
Douglas J. Bartole President and Chief Executive Officer	2016	218,430	Nil	-	65,000	Nil	Nil	-	283,430
	2015	210,000	Nil	-	Nil	Nil	Nil	-	210,000
	2014	145,833	Nil ⁽²⁾	-	52,000	Nil	Nil	-	197,833
Darren Dittmer Chief Financial Officer	2016	189,214	Nil	-	42,000	Nil	Nil	-	231,214
	2015	185,000	Nil	-	Nil	Nil	Nil	-	185,000
	2014	145,833	Nil ⁽²⁾	-	43,000	Nil	Nil	-	188,833
Thane Jensen Vice President, Operations	2016	189,214	Nil	-	42,000	Nil	Nil	-	231,214
	2015	185,000	Nil	-	Nil	Nil	Nil	-	185,000
	2014	145,833	Nil ⁽²⁾	-	43,000	Nil	Nil	-	188,833
Kevin Yakiwchuk Vice President, Exploration	2016	189,214	Nil	-	42,000	Nil	Nil	-	231,214
	2015	185,000	Nil	-	Nil	Nil	Nil	-	185,000
	2014	145,833	Nil ⁽²⁾	-	43,000	Nil	Nil	-	188,833
Gordon Reese Vice President, Business Development	2016	189,214	Nil	-	34,000	Nil	Nil	-	223,214
	2015	185,000	Nil	-	Nil	Nil	Nil	-	185,000
	2014	145,833	Nil ⁽²⁾	-	34,000	Nil	Nil	-	179,833

Notes:

- (1) No Options were granted under the Corporation's Option Plan during the fiscal years ended December 31, 2016 and 2015.
- (2) In 2014, Options were granted to the NEOs by the Corporation's predecessor entity, InPlay Oil Corp. ("**Private InPlay**"), as it existed prior to completion of the reverse take-over "go public" transaction involving InPlay Oil Corp. and Anderson Energy Inc. completed in November, 2016 (the "**Arrangement**"). All of these Options were "out-of-the-money" and surrendered for cancellation in conjunction with the completion of the Arrangement and, accordingly, have been ascribed no value for these purposes. The grant date fair values for Options granted to the NEOs in 2014 using Black-Scholes option pricing methodology were \$2,228,298, \$1,166,556, \$1,166,556, \$1,079,339 and \$1,166,556, respectively. In addition, each of the NEOs held performance warrants in Private InPlay ("**InPlay Warrants**"). As the performance hurdles attaching to the InPlay Warrants had not been satisfied at the time of completion of the Arrangement, all of such InPlay Warrants were surrendered for cancellation in conjunction with completion of the Arrangement and, accordingly, have been ascribed no value for these purposes.
- (3) Reflects, where applicable, the cash amounts awarded to the NEO under the Corporation's discretionary cash bonus plan in respect of the fiscal year ended but made payable in the following fiscal year.
- (4) The value of perquisites received by each of the NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the NEO's total salary for the financial year.

Incentive Plans

Securities Authorized for Issuance Under Equity Compensation Plans

The Corporation did not have any securities authorized for issuance under equity compensation plans as at December 31, 2016. The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at May 15, 2017.

Plan Category	Number of Common Shares to be issued upon conversion of Incentive Awards and exercise of Options, (a)	Weighted average exercise price of outstanding rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders			
Share Option Plan ⁽¹⁾	4,892,400	\$1.98	1,347,217
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,892,400	\$1.98	1,347,217

Notes:

- (1) The Corporation's Option Plan is the only plan under which equity securities of InPlay may be issued and currently authorizes the issuance of Options entitling the holders to acquire, in the aggregate, up to 10% of the issued and outstanding Common Shares from time to time. See "*Share Option Plan*".

Share Option Plan

Upon completion of the Arrangement, the former option plan of Anderson continued as the equity-based compensation plan of InPlay.

The Option Plan was last approved by the Corporation's shareholders in conjunction with completion of the Arrangement in November, 2016. The following is a description of the Option Plan.

Pursuant to the Option Plan, the Board of Directors is authorized to grant Options to purchase Common Shares to directors, officers and employees of InPlay or of any of InPlay's subsidiaries or any other person or company engaged to provide ongoing management or consulting services to InPlay or its subsidiaries.

The aggregate number of Common Shares reserved for issuance under the Option Plan is equal to 10% of the number of issued and outstanding Common Shares from time to time. Accordingly, as additional Common Shares are issued and become outstanding (whether as a result of exercise of Options or otherwise) the maximum number of Common Shares issuable under the Option Plan is automatically increased, and, in the event that a previously granted Option expires or is terminated or cancelled for any reason without having been exercised, the number of Common Shares to which the expired, terminated or cancelled Option relates will also be available for the purpose of further grants under the Option Plan. At no time, however, can the number of Common Shares issuable under the Option Plan exceed 10% of the number of Common Shares then issued and outstanding.

In addition, the aggregate number of Common Shares reserved for issuance to any one person under the Option Plan, together with all other share compensation arrangements of InPlay, if any, shall not exceed 5% of the total number of issued and outstanding Common Shares (on a non-diluted basis). The number of Common Shares issuable pursuant to Options granted under the Option Plan or any other securities based compensation arrangements of the Corporation, if any: (i) to insiders at any time may not exceed 10% of the outstanding Common Shares; (ii) the issuance within a one year period may not exceed 10% of the outstanding Common Shares; and (iii) to any one insider within a one year period may not exceed 5% of the outstanding Common Shares.

The Option Plan also provides that the aggregate number of Common Shares reserved for issuance pursuant to Options granted to non-management directors of InPlay under the Option Plan shall never exceed 1% of the issued and outstanding Common Shares and the value of all Options granted to any non-management director during a calendar year, as calculated on the date of grant, cannot exceed \$100,000.

The exercise price of the Options granted under the Option Plan (the "**Exercise Price**"), shall be fixed by the Board at the time of the grant but under no circumstances shall any Exercise Price at the time of the grant be lower than the "market price" of the Common Shares as defined in the Option Plan. For the purposes of the Option Plan, the market price is the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") for the five trading days immediately preceding the date of grant of the Option. The volume weighted average trading price is calculated by dividing the total value of the Common Shares traded over the five day period by the total volume of Common Shares traded over the same period.

The term of Options granted under the Option Plan, to a maximum of 10 years from the date of the grant, and any vesting terms shall also be determined by the Board in its discretion at the time of the grant. If an Option is set to expire during a Blackout Period (as such term is defined in the Option Plan) or within nine (9) business days following a Blackout Period, the expiry date of the Option shall be extended to the date that is the tenth (10th) business day following the end of the Blackout Period.

Options are non-assignable and non-transferable except in limited circumstances. In the event that the holder of Options ceases to be a director, officer, employee or consultant of the Corporation or any of its subsidiaries for any reason other than death or permanent disability, the holder's Options will terminate immediately as to the then unvested portion and the then vested portion shall terminate on the earlier of the expiry date of the Option and the 30th day after the date the holder ceases to be a director, officer, employee or consultant, as the case may be. In the event of a holder's death or permanent disability, any Options previously granted shall be exercisable until the earlier of the expiry date or the date that is 12 months after the date of death or permanent disability, and then only to the extent that the holder was entitled to exercise the Options as of the date of death or permanent disability.

In the event of a "change of control" (as defined in the Option Plan), all Options shall immediately vest and be exercisable until the earlier of the expiry date of the Option and the date that is 30 days after the date the holder ceases to be a director, officer, employee or consultant of the Corporation or any of its subsidiaries.

Without the prior approval of the Shareholders of the Corporation, the Board of Directors may NOT make any amendment to the Option Plan to: (i) increase the maximum percentage of the issued and outstanding Common Shares issuable pursuant to the Option Plan; (ii) reduce the exercise price of any outstanding Options (including, without limitation, any cancellation and reissuance of an Option constituting a reduction of the exercise price for such Option); (iii) extend the term of any outstanding Option beyond the original expiry date of such Option or so as to permit the grant of an Option that is exercisable for a period exceeding ten (10) years from the date of grant; (iv) permit Options to be transferable or assignable other than in the event of death or permanent disability; (v) change the eligible participants under the Option Plan which would have the potential of broadening or increasing insider participation; or (vi) amend the restrictions on amendments that are provided in the Option Plan. Subject to the restrictions set out above, the Board of Directors may amend or discontinue the Option Plan and Options granted thereunder at any time, without Shareholder approval, provided that any amendment to the Option Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of the holder of Options if it adversely alters or impairs any Option previously granted to such holder.

Cash Bonus Plan

The Corporation has established a discretionary cash bonus plan for its executive officers and employees based and dependent upon, among other things, the performance of both the Corporation and the individual for the applicable period. The Corporation's cash bonus plan is described under "*Compensation Discussion and Analysis – Elements of our Compensation Program – Short-Term Incentive Compensation – Annual Cash Bonuses*".

Incentive Plan Awards

Outstanding Option-based and Share-based Awards

The Corporation did not have any option-based or share-based awards outstanding as at December 31, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each NEO, the value of option-based awards which vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016. The Corporation does not have any outstanding share-based awards.

Name	Option-based Awards – Value vested during the year⁽¹⁾ (\$)	Share-based Awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)⁽²⁾
Douglas J. Bartole	Nil	N/A	65,000
Darren Dittmer	Nil	N/A	42,000
Thane Jensen	Nil	N/A	42,000
Kevin Yakiwchuk	Nil	N/A	42,000
Gordon Reese	Nil	N/A	34,000

Notes:

- (1) The share options of Private InPlay which vested during the 2016 year have been ascribed no value as there was no market for trading of the common shares of Private InPlay prior to completion of the Arrangement in November of 2016. All of these share options were "out-of-the-money" at the time of completion of the Arrangement and were surrendered for cancellation in conjunction therewith.
- (2) Reflects cash bonuses paid to the NEOs in 2017 in respect of the financial year ended December 31, 2016. See "*Compensation Discussion and Analysis – Short-Term Incentive Compensation – Annual Cash Bonuses*".

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

There are currently no contracts, agreements, plans or arrangements currently in place for any of the Named Executive Officers that provide for payments to an NEO following or in connection with any termination, resignation, retirement, change in control of InPlay or a change in an NEO's responsibility. In the event of a "change of control" (as defined in the Corporation's Option Plan), all Options then held by an NEO shall immediately vest and be exercisable until the earlier of the expiry date of the Option and the date that is 30 days after the date of termination of employment of the holder of the Option.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation, or its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE DISCLOSURE

The Corporation's disclosure with respect to its Corporate Governance Practices is set forth in Appendix "A" hereto.

INTERESTS OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors or executive officers of the Corporation, any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries other than as follows.

All of the current directors and officers of InPlay who either held directly or indirectly, or controlled either directly or indirectly, Common Shares of Private InPlay participated in the Arrangement involving Private InPlay and Anderson Energy Inc. which became effective in November, 2016 and pursuant to which Private InPlay completed its going public transaction pursuant to the reverse takeover of Anderson Energy Inc. The participation of such individuals in the Arrangement was on the same basis as all other shareholders of Private InPlay.

Certain directors and officers of InPlay may participate and have participated in public offerings or private placements of equity securities by InPlay from time to time. Any such participation is on the same basis as all other subscribers to such offerings.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended December 31, 2016 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management discussion and analysis are available on SEDAR or upon request from the Corporation at Suite 920, 640 – 5th Avenue S.W., Calgary, Alberta T2P 3G4, Attention: Chief Financial Officer.

Also see "*Audit Committee*" in the Corporation's annual information form for the year ended December 31, 2016 for information relating to the Audit Committee, including its mandate, composition of the Audit Committee and fees paid to the Corporation's auditors.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL

The contents and sending of this Information Circular - Proxy Statement has been approved by the Board of Directors of InPlay Oil Corp.

APPENDIX "A"

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 ("**Form 58-101F1 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F1 Disclosure (which is set out below in italics).

1. **Board of Directors**

- (a) *Disclose the identity of directors who are independent.*

The following six (6) nominee directors of the Corporation are independent (for the purpose of NI 58-101):

Donald Cowie
Craig Golinowski
Dennis L. Nerland
Stephen C. Nikiforuk
Dale O. Shwed
Stephen Yuzpe

The Board has determined that Mr. Golinowski is independent within the meaning of such term prescribed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* as the Board has determined that Mr. Golinowski has no direct or indirect material relationship with InPlay. For the purposes of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), the Board has determined that Mr. Golinowski is not independent within the meaning prescribed under NI 52-110 as he serves as managing director of JOG Capital Corp. and JOG Capital Corp. may be considered to be an affiliated entity of InPlay pursuant to NI 52-110.

Mr. Nikiforuk was appointed Lead Independent Director of the Corporation on October 3, 2016. See Item 1(f) below.

- (b) *Disclose the identity of directors who are not independent, and describe the basis for that determination.*

Douglas J. Bartole is not considered to be independent as Mr. Bartole is the President and Chief Executive Officer of the Corporation.

- (c) *Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the "board") does to facilitate its exercise of independent judgement in carrying out its responsibilities.*

A majority of the directors (six of the seven) are independent (for the purpose of NI 58-101).

- (d) *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Douglas J. Bartole	None
Donald Cowie	Leucrotta Exploration Inc.
Craig Golinowski	None
Dennis L. Nerland	Acceleware Ltd., Arkadia Capital Corp., Critical Control Energy Services Corp., Granite Oil Corp., Liberty Biopharma Inc., Manitok Energy Inc., Olympia Financial Group Inc., Strata-X Energy Ltd. and Crew Energy Inc.
Stephen C. Nikiforuk	Whitecap Resources Inc.
Dale O. Shwed	Baytex Energy Corp., TORC Oil & Gas Ltd. and Crew Energy Inc.
Stephen Yuzpe	Sprott Resource Holdings Inc.

- (e) *Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.*

At the end of or during each meeting of the Board of Directors, the Board considers whether it is necessary to have a meeting of the independent directors to consider any matters arising from the meeting or otherwise and, if so, the members of management of the Corporation and the non-independent director of the Corporation who are present at such meeting may be asked to leave the meeting in order for the independent directors to meet. In addition, other meetings of the independent directors may be held from time to time if required.

- (f) *Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.*

The Chairman of the Board is Douglas J. Bartole who is not an independent member of the Board. The Lead Independent Director of the Board is Stephen C. Nikiforuk. The Lead Independent Director's primary role is to act as liaison between management and the independent directors to ensure the Board is organized properly, functions effectively and independently of management and meets its obligations and responsibilities, including those matters set forth in the mandate of the Board. Among other things, the Lead Independent Director assists the Chairman in endeavoring to ensure that the Board leadership responsibilities are conducted in a manner that will ensure that the Board is able to function independently of management. The Lead Independent Director is to consider, and allow for, when appropriate, a meeting of all independent directors so that the Board meetings may take place without management being present and, if necessary, without the Chairman being present. The Lead Independent Director is to endeavor to ensure that reasonable procedures are in place for directors to engage outside advisors at the expense of the Corporation in appropriate circumstances, subject to its prior approval and is to meet annually with each director to obtain insight as to where they believe the Board and its committees could operate more effectively.

- (g) *Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.*

The attendance record of each of the directors of the Corporation for board meetings and any meetings of the committees of the board held during the year ended December 31, 2016, is as follows:

Director	Board of Directors	Audit Committee	Reserves Committee	Compensation Committee	Governance Committee⁽²⁾	Attendance Rating
Douglas J. Bartole	10/10	-	-	-	-	100%
Donald Cowie	10/10	-	1/1	1/1	-	100%
Craig Golinowski	10/10	5/5 ⁽³⁾	-	-	-	100%
Dennis L. Nerland	10/10	-	-	1/1	-	100%
Stephen C. Nikiforuk	10/10	5/5	-	1/1	-	100%
Dale O. Shwed	10/10	-	1/1	-	-	100%
Stephen Yuzpe	10/10	5/5	1/1	-	-	100%

Notes:

- (1) The above table denotes the number of meetings attended while being a member of the respective committees.
- (2) Prior to completion of the Arrangement in November, 2016, the entire Board of Directors served as the Corporation's Governance Committee. Accordingly, governance matters have been included in the Board of Directors column.
- (3) Mr. Golinowski was replaced by Mr. Nerland on the Audit Committee following completion of the Arrangement.

2. **Board Mandate**

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The mandate of the Board of Directors is attached at Appendix "B" to this Information Circular.

3. **Position Descriptions**

- (a) *Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.*

The Board of Directors has developed written position descriptions for the Chairman of the Board of Directors, the Lead Independent Director as well as the Chairman of each of the committees of the Board.

- (b) *Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and the CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.*

The Board of Directors of the Corporation, with input from the Chief Executive Officer of the Corporation, has developed a written position description for the Chief Executive Officer.

4. **Orientation and Continuing Education**

- (a) *Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors; and (ii) the nature and operation of the issuer's business.*

No formal education program currently exists for the orientation of new directors and existing directors. While the Corporation does not currently have a formal orientation program for new directors, new directors are provided with access to all background documents to the Corporation, including all corporate records, prior board materials and copies of the mandate of each of the Board of Directors and each of the Audit Committee, Reserves Committee, Compensation Committee and Corporate Governance Committee

and a presentation is made by management to new directors respecting the nature and operations of the Corporation's business. The Corporation also regularly provides the directors (at least on a quarterly basis) briefings and an update on business, operations and affairs of the Corporation, including new and ongoing prospects of the Corporation, the Corporation's performance relative to its peer and other development related thereto that could have a significant impact on the Corporation's operations and results. Such updates are conducted by senior levels of management with responsibility in the various areas under discussion. The Corporation also encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of certain courses.

- (b) *Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.*

As noted above, no formal continuing education program currently exists for the directors of the Corporation; however, the Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director. The Corporation regularly provides the directors (at least on a quarterly basis) briefings and an update on business, operations and affairs of the Corporation, including new and ongoing prospects of the Corporation, the Corporation's performance relative to its peers and other developments related thereto that could have a significant impact on the Corporation's results.

5. **Ethical Business Conduct**

- (a) *Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:*

The Board of Directors has adopted a code of business conduct and ethics (the "**Code**") applicable to all members of the Corporation, including directors, officers and employees.

- (i) *disclose how a person or company may obtain a copy of the code;*

Each director, officer and employee of the Corporation has been provided with a copy of the Code and, in addition, a copy of the Code has been filed on SEDAR at www.sedar.com and the Corporation's website at www.inplayoil.com.

- (ii) *describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and*

All employees are provided with a copy of the Code upon commencement of employment and are made aware of the consequences of violation thereof. The Board of Directors monitors compliance with the Code by requiring each of the senior officers of the Corporation to affirm in writing on an annual basis his or her agreement to abide by the Code, as to his or her ethical conduct and in respect of any conflicts of interest.

- (iii) *provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.*

There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Corporation's Code.

- (b) *Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

- (c) *Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.*

In addition to the Code, the Board of Directors has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Corporation are provided with a mechanism by which they can raise concerns in a confidential, anonymous process. This policy can be found on the Corporation's website at www.inplayoil.com.

6. **Nomination of Directors**

- (a) *Describe the process by which the board identifies new candidates for board nomination.*

The Corporate Governance Committee is responsible for recommending suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Corporate Governance Committee is to consider: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

In the past, when potential candidates have been identified, they are screened to ensure that they possess the requisite qualities of integrity, areas of business and professional experience, independence considerations and other skills. The other commitments of the potential candidates are also considered to ensure that the candidate is able to fulfill his obligations as a member of the Board. Potential candidates are identified through suggestions by members of the Board and industry contacts.

The Corporate Governance Committee is also to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.

- (b) *Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.*

The Corporate Governance Committee, which is responsible for nominating directors, is comprised entirely of independent directors.

- (c) *If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.*

See item 6(a).

7. Compensation

- (a) *Describe the process by which the board determines the compensation for the issuer's directors and officers.*

Compensation of Directors

The Compensation Committee conducts a yearly review of directors' compensation having regard to various governance reports on current trends in directors' compensation and compensation data for directors of reporting issuers of comparative size to the Corporation. Recommendations for compensation of directors are made to the Compensation Committee which then makes a recommendation to the Board for approval.

Compensation of Officers

The Compensation Committee is responsible for developing and recommending management compensation policies, programs and levels to the Board of Directors to make sure they are aligned with shareholders' interests and corporate performance. See "*Statement of Executive Compensation*" as contained in the accompanying Information Circular of the Corporation.

- (b) *Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.*

The Compensation Committee is comprised entirely of independent directors.

- (c) *If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.*

The Compensation Committee is responsible for formulating and making recommendations to the Board of Directors in respect of compensation issues relating to directors, officers and employees of the Corporation. See "*Statement of Executive Compensation - Compensation Governance – Compensation Committee Mandate*".

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

In addition to the Audit Committee and Compensation Committee, the Corporation also has a Reserves Committee and Corporate Governance Committee (which also serves as the nominating committee).

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 (Standards of Disclosure for Oil and Gas Activities) ("**NI 51-101**"), including:

- (i) reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- (ii) reviewing the Corporation's procedures for providing information to the independent evaluator;
- (iii) meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the

evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "**Reserves Data**") and, if applicable, on resources other than reserves (the "**Resource Data**") and to review the Reserves Data and Resource Data and the report(s) of the independent evaluator thereon (if such report is provided);

- (iv) recommend to the Board the independent evaluator to be nominated;
- (v) recommend to the Board the terms of engagement of the independent evaluator, including the compensation of the independent evaluator and a confirmation that the independent evaluator will report directly to the Committee;
- (vi) on an annual basis, review and discuss with the independent evaluator all significant relationships such independent evaluator has with the Corporation to determine the independent evaluator's independence;
- (vii) when there is a proposed change in independent evaluator, review the issues related to the change including the reasons therefor and whether there has been any disputes with management;
- (viii) providing a recommendation to the Board of Directors as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;
- (ix) reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities;
- (x) generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves and resources;
- (xi) review the Corporation's fundamental policies pertaining to environment, health and safety and ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value;
- (xii) review the Corporation's performance with all applicable laws and regulations with respect to environment health and safety;
- (xiii) review the findings of any significant report by regulatory agencies, external environment, health and safety consultants or auditors concerning the Corporation's performance in environment, health and safety. Review any necessary corrective measures taken to address issues and risks identified by the Corporation, external auditors or by regulatory agencies;
- (xiv) review any emerging trends, issues and regulations related to environment, health and safety that are relevant to the Corporation; and
- (xv) review the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and review that information with management.

The Corporate Governance Committee also acts as the nominating committee of the Corporation and carries out the functions with respect thereto as described under Item 6(a). In addition, the Corporate Governance Committee is responsible for developing the approach of the Corporation in matters concerning corporate governance including:

- (i) annually reviewing the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- (ii) considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
- (iii) preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
- (iv) clarifying to the Board, if required, as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- (v) reviewing on a periodic basis and ongoing basis (regardless of whether there is a Board vacancy) the size and the composition of the Board and ensuring that an appropriate number of persons, including independent directors, sit on the Board, analyzing the needs of the Board and, as required, searching for and recommending nominees who meet such needs, which search shall include candidates both known and unknown to the Board;
- (vi) assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;
- (vii) developing and maintaining a list of potential nominees;
- (viii) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:
 - (A) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
 - (B) the competencies and skills that the Board considers each existing director to possess;
 - (C) the competencies, skills and diversity (including, without limitation, gender diversity) each new nominee will bring to the boardroom; and
 - (D) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- (ix) as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board
- (x) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (xi) developing and recommending to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;

- (xii) making recommendations to the board of directors regarding appointments of corporate officers and senior management;
- (xiii) reviewing annually the Committee's Mandate and Terms of Reference;
- (xiv) reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- (xv) establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "**Code**") and ensure that management has established a system to monitor compliance with the Code; and
- (xvi) reviewing management's monitoring of the Corporation's compliance with the Code.

9. **Assessments**

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Corporate Governance Committee is responsible by its terms of reference to evaluate the effectiveness of the Board, committees and individual directors. The Corporate Governance Committee regularly evaluates Board effectiveness through informal communications with Board members and through participation with other Board members on committees and matters relating to the Board. The Committee, with the participation of the Chairman, may recommend changes to enhance Board performance based on this communication as well as based on its review and assessment of the Board structure and individuals in relation to current industry and regulatory expectations. From time to time, the Board considers the procedural or substantive changes to increase its effectiveness. Given the relatively small size and consistency of membership of the Board, this assessment methodology has been both responsive and practical.

10. **Director Term Limits and Other Mechanisms of Board Renewal**

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The Board of Directors of the Corporation has not adopted term limits for directors. The Board of Directors does not believe that fixed term limits are in the best interest of the Corporation and all of its stakeholders. When proposing a slate of nominees for nomination as directors, the Corporate Governance Committee considers the term of service of individual directors, the average term of the Board of Directors as a whole and turnover of directors over prior years. Furthermore, the Corporate Governance Committee considers the benefits of regular renewal in the context of the needs of the Board of Directors at the time and the benefits of having a Board of Directors whose members are familiar with the Corporation and its business through past service.

11. **Policies Regarding the Representation of Women on the Board**

Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

While the gender of nominee directors will be reviewed and considered as a factor in the selection of suitable candidates for election to the Board of Directors, as is noted below, the selection of director nominees is made on the basis of the skills, knowledge, experience and character of individual candidates

and the requirements of the Board of Directors at the time and not on the basis of their age, gender, race, ethnicity or religion.

The Board of Directors of the Corporation has adopted a written Board Tenure and Diversity Policy (the "**Diversity Policy**"). As is stated in the Diversity Policy, the Board of Directors of the Corporation believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board of Directors at the time. The Corporation is committed to the principle of selecting director nominees based on their abilities and merit and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the Corporation's business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interests of the Corporation and its stakeholders.

If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions; (ii) the measures taken to ensure that the policy has been effectively implemented; (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

In addition to the description of the Diversity Policy above, the Corporate Governance Committee has also established a "skills matrix" outlining the skills and experience it believes are required by the members of the Board of Directors. This skills matrix is reviewed annually by the Corporate Governance Committee and updated as necessary. The Corporate Governance Committee also annually reviews the skills and experience of the current directors of the Corporation to assess whether the Board of Directors' skills and experience need to be strengthened in any area. In addition to considering the skills and experience of the Board of Directors, the Corporate Governance Committee also assesses the knowledge and character of all nominees to the Board of Directors to ensure general compliance with the skills matrix. To ensure the effectiveness of the Diversity Policy, the Corporate Governance Committee will monitor the process undertaken in connect with the selection of nominees for directors to ensure the skills, knowledge, experience and character of any candidates, including women candidates, are being fairly considered relative to other candidates. The Corporate Governance Committee will also review the number of women serving on the Board, from time to time, to evaluate whether it is desirable to adopt additional requirements or policies with respect to the diversity of the Board. To assist in identifying qualified candidates for election to the Board of Directors, the Corporate Governance Committee is authorized under its charter to retain, as deemed appropriate, experts to assist them in "Board of Directors searches" for such qualified candidates.

12. **Consideration of the Representation of Women in the Director Identification and Selection Process**

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level or representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reason for not doing so.

While the gender of nominee directors will be reviewed and considered as a factor in the selection of suitable candidates for election to the Board of Directors, the selection of director nominees is made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board of Directors at the time and not on the basis of their age, gender, race, ethnicity or religion.

As noted above, the Corporate Governance Committee has established a "skills matrix" outlining the skills and experience it believes are required by the members of the Board of Directors. The Corporate Governance Committee annually reviews the skills and experience of the current directors of the Corporation to assess whether the Board of Directors' skills and experience need to be strengthened in any area. To the extent that the skills and experience of the Board of Directors needs to be strengthened in any area, the Board of Directors considers the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the Corporation's business objectives, without reference to their age, gender, race, ethnicity or religion. To ensure the effectiveness of the Diversity Policy, the Corporate Governance Committee will monitor the process undertaken in connect

with the selection of nominees for directors to ensure the skills, knowledge, experience and character of any candidates, including women candidates, are being fairly considered relative to other candidates. The Corporate Governance Committee will also review the number of women serving on the Board, from time to time, to evaluate whether it is desirable to adopt additional requirements or policies with respect to the diversity of the Board.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

The Board of Directors of the Corporation adheres to the principle that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of management at the time. The Corporation is committed to the principle of hiring executive officers based on their abilities and merit and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the Corporation's business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interests of the Corporation and its stakeholders.

The Board annually reviews appointments to executive officer positions to ensure that individuals with the appropriate skills, knowledge, experience and character, including women candidates, are being fairly considered. The Board also evaluates whether it is desirable to adopt additional requirements or policies with respect to the diversity of management.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- (a) *For purposes of this item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.*
- (b) *Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.*
- (c) *Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.*
- (d) *If the issuer has adopted a target referred to in either (b) or (c), disclose:*
 - (i) *the target; and*
 - (ii) *the annual and cumulative progress of the issuer in achieving the target.*

The Board of Directors recognizes the benefits of diversity within the Board of Directors and within management of the Corporation but will not compromise the principles outlined in the Diversity Policy and above by imposing mandatory quotas or targets.

15. Number of Women on the Board and in Executive Officer Positions

- (a) *Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.*
- (b) *Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.*

The Corporation currently has no Board members or executive officers that are women.

APPENDIX "B"

INPLAY OIL CORP.

MANDATE OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors (the "**Board**") of InPlay Oil Corp. (the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- in consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objectives of the Corporation;
- supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

SPECIFIC

Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Ensure that a process is established as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- Establish limits of authority delegated to management.

Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Ensure that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters.
- Ensure that an adequate system of internal control exists.
- Ensure that due diligence processes and appropriate controls are in place with respect to applicable certification requirements regarding the Corporation's financial and other disclosure.

- Review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.
- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

Risk Management

- Review the principal business risks of the Corporation and actions taken by the Corporation to mitigate these risks.
- Review the principal financial risks of the Corporation, including but not limited to changes in commodity prices, interest rates, foreign currency exchange rates and credit.
- Review guidelines, policies and reports from Management with respect to risk assessment, risk management and major financial risk exposures, including the processes Management uses to assess and manage the Corporation's risk and exposures and if, in the Board's view, changes in guidelines and policies are desirable, make such changes, as applicable.
- Review the financial exposures undertaken by the Corporation together with any mitigating strategies, including hedging policies and practices and insurance, and consider these in light of the corporate risk management policies approved from time to time and related internal controls. Such exposures include physical and financial positions in commodities markets; derivatives strategies; capital commitments; sovereign and foreign exchange exposures; and exposure to interest rate fluctuations.
- Review the activities of the Corporation's treasury and marketing groups and the financial risks arising from those activities including any proposed authorities of Management from the Board for the hedging of the exposures.
- Review the Corporation's hedging activities including a summary of the hedge-related instruments at the end of each quarter.
- Annually review, and if desirable, recommend and/or approve changes to the insurance program including coverage for property damage, business interruption, liabilities, and directors and officers.
- Review any other significant financial exposures of the Corporation to the risk of a material financial loss including tax audits or other activities.
- Review the Corporation's financial strategy considering current and future business needs, including, capital markets and the Corporation's credit rating (if any) and review the Corporation's capital structure including debt and equity components, current and expected financial leverage, and interest rate and foreign currency exposures.

Integrity/Corporate Conduct

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely disclosures, and to facilitate feedback from stakeholders.
- Approve a Business Conduct & Ethics Practice for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Practice for officers and directors.

- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

Board Process/Effectiveness

- Ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- Engage in the process of determining Board member qualifications with the Corporate Governance Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as may be required under applicable securities rules and requirements.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

Each member of the Board is expected to understand the nature and operations of the Corporation's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which the Corporation invests, or is contemplating potential investment.

Independent directors shall meet regularly, and in no case less frequently than annually, without non-independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Corporation, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

DELEGATION

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.
- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of the Corporation, the Chairman of the Board will act as a liaison between stakeholders of the Corporation and the Board (including independent members of the Board).