



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

### MANDATE AND TERMS OF REFERENCE

#### Establishment of Committee

The board of directors (the "**Board**") of Cardinal Energy Ltd. ("**Cardinal**" or the "**Corporation**") hereby establishes a committee of the Board to be called the Environmental, Social and Governance Committee (the "**Committee**").

#### Role and Objective

The purpose of the Committee is to assist the Board in fulfilling its responsibility by reviewing and making recommendations to the Board relating to the environmental, social and related governance policies, practices and programs of the Corporation and its subsidiaries.

#### Membership of Committee

1. The Committee shall be comprised of three (3) directors of the Corporation ("**Directors**") or such greater number as the Board may from time to time determine, of whom the majority shall be "independent" (as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (as amended from time to time)).
2. The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee (the "**Chair**") who shall be an independent director.

#### Specific Duties and Responsibilities

To carry out its responsibilities, the Committee shall:

##### *Environment, Social and Governance*

1. Oversee the Corporation's policies, procedures, internal control systems and strategies relating to climate related issues, environmental protection, health and safety and related governance matters to ensure due assessment, consideration and management of risks, opportunities and potential performance improvement relating thereto.
2. Monitor Cardinal's business to assist Cardinal in conducting its business in a socially responsible, ethical and transparent manner that includes engagement, respect and support for the communities in which Cardinal works.
3. Review and report to the Board with respect to the consideration and integration of climate related issues, environmental protection, health and safety and related governance matters in the development of the Corporation's business strategy and financial planning.

4. Receive periodic reports from management regarding Cardinal's initiatives and opportunities to optimize its climate related, environmental protection, and health and safety performance including processes to reduce emissions and waste, reduce or substitute energy and water use, and minimize land disturbance.
5. Receive periodic reports from management relating to the Corporation's safety and environmental performance versus established targets, with the goal of providing monitoring and oversight thereof.
6. Review Cardinal's compliance with all applicable laws, regulations and Cardinal's policies with respect to health, safety and the environment.
7. Consider and review the setting and performance against appropriate targets, benchmarking, procedures and reporting methods used by the Corporation to measure its climate, environmental protection, health and safety performance and other relevant performance.
8. Review Cardinal's disclosure, reporting and external communication practices pertaining to climate related matters, environmental protection, and health and safety including but not limited to assessments of materiality, Sustainability Report development and approach to analogous disclosure and other written communication with stakeholders.
9. Review and report to the Board:
  - a. on the Corporation's performance and compliance with codes, standards, regulations and applicable laws with to respect environmental protection and health and safety;
  - b. on emerging social, political and environmental trends, issues and regulations with respect environmental protection and health and safety.
  - c. on the findings of any significant report by regulatory agencies, external health, safety and environment consultants or auditors concerning the Corporation 's performance in health, safety and environmental matters and any necessary corrective measures taken to address issues and risks that have been identified by the Corporation, external auditors or by regulatory agencies;
  - d. on the results of any review with management, consultants and legal advisors of the implications of major corporate undertakings such as the acquisition or expansion of facilities or decommission of facilities; and
  - e. on management's decisions on abandonment and reclamation, including appropriate asset retirement obligation determination.

#### **Meetings and Administrative Matters**

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. Meetings may occur via telephone or teleconference.

4. The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board.
5. Meetings of the Committee should be scheduled to take place at least once per year and at such other times as the Chair of the Committee may determine.
6. Agendas, approved by the Chair will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
8. Minutes of the Committee will be recorded and maintained.
9. If determined appropriate, following meetings of the Committee, a list of tasks or matters to be followed up upon shall be prepared including the time table for completion thereof and the responsibility for completion, the status of which matter shall be reviewed at the next meeting of the Committee or as otherwise determined by the Committee.
10. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at such compensation as established by the Committee and at the expense of Cardinal without any further approval of the Board.
11. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as two members remain on the Committee. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
12. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board or the Lead Director by the Chair.

*Approved by the Board of Directors effective February 26, 2020.*