



SEVEN GENERATIONS  
E N E R G Y

## SEVEN GENERATIONS ENERGY LTD. GOVERNANCE AND NOMINATING COMMITTEE MANDATE

### Section 1 Purpose

The Governance and Nominating Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Seven Generations Energy Ltd. (the “**Corporation**”). The primary function of the Committee is to assist the Board by:

- (a) reviewing the Corporation’s Disclosure, Trading and Confidentiality Policy (the “**Disclosure Policy**”), Code of Business Conduct and Ethics (the “**Code**”) and similar policies and practices as required;
- (b) assessing the effectiveness of the Board as a whole (including any committees thereof) as well as discussing the contribution of individual members;
- (c) assessing the performance of each director of the Corporation;
- (d) structuring, reviewing and approving the compensation of the members of the Board;
- (e) periodically assessing the Corporation’s governance. In this regard, the Committee will look to foster an environment of full open communication in which all directors are encouraged to participate in Board and Committee dialogue and in which any director or other person commonly in attendance at Board meetings is discouraged from discouraging participation or intimidating others from contributing. In performing this duty, the Chair of the Committee will be charged with discussing the Committee’s views including the conduct of directors and providing the Committee’s views. The Committee is to be particularly alert to proper conduct in possible cases of conflicts of interest, and appropriate and respectful interaction with other directors and servants of the Company including employees, consultants, contractors and others;
- (f) proposing new nominees for appointment to the Board while not impairing in anyway the right of any other Committee, any director or any group of directors or the Board as whole to also propose new nominees for appointment to the Board;
- (g) recommending to the Board to consider measures to seek the resignation or removal of directors where their current or past conduct is or has been improper (illegal or in violation of the Corporation’s policies or disruptive to

the effective and reputable conduct of the Board or the Corporation's business) or liable to adversely affect the Corporation or its reputation; and

- (h) orienting new directors.

## **Section 2      Composition and Meetings**

- (a) The Committee shall be comprised of at least three (3) directors of the Corporation appointed by the Board. Each member of the Committee shall be "independent" for the purposes of National Policy 58-201 - *Corporate Governance Guidelines* and shall be (or shall become within a reasonable period of time after appointment) familiar with corporate governance practices. It is the desired objective of Corporation that all directors, especially those who are Committee members, possess ICD.D or other similar certification.
- (b) The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed.
- (c) The members of the Committee may be removed or replaced by the Board at any time. The Chair may be removed by the Board or the Committee, in consultation with the Board, at any time. Any member shall automatically cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee. The Board may change the size of the Committee provided that it includes not less than three members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.
- (d) The Committee shall meet at least two times per annum or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information, except as prohibited by law (including conflicts of interest of one or more Committee members), it deems appropriate for the purpose of fulfilling its role.
- (e) The Committee may, by will of the Committee, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, accountants or other experts and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Corporation) the compensation for any such advisors.
- (f) At all meetings of the Committee every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote. In any matter where

the Committee cannot reach a decision by the majority, the matter shall be referred to the full Board for decision.

- (g) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee but in any event not less than two.
- (h) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the Chief Executive Officer ("CEO"), the President, the Chief Financial Officer or the Corporate Secretary shall also be entitled to call a meeting.
- (i) Agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings. Minutes of each meeting will be recorded and reviewed by the Committee for errors or omissions and then filed with the Corporate Secretary and made available to any director at any time upon request to the Corporate Secretary. The Chair will report on Committee activities to the full Board at least two times per annum.
- (j) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Board by the Committee Chair.

### **Section 3      Role**

In addition to the matters described in Section 1 and any other duties and authorities delegated to it by the Board from time to time, the role of the Committee is to:

#### **(1)      *General***

- (a) Review, annually, and recommend to the Board changes to this Mandate, as considered appropriate.
- (b) Oversee the preparation of and recommend to the Board any required disclosures of governance practices to be included in any disclosure document of the Corporation, as required.

#### **(2)      *Governance***

- (a) As a duty but not to the exclusion of other directors performing on their own or in groups this same function, review, on a periodic basis, the size and composition of the Board, make recommendations as to the number of independent directors and advise the Board on filling vacancies.
- (b) Facilitate the independent functioning of the Board, including by assessing which directors are independent directors and which independent directors

serve the Board as a matter of duty to a third party and identifying areas of conflict of interest between the Corporation and any such third parties, and seek to maintain an effective relationship between the Board and senior management of the Corporation.

- (c) Review, annually, 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.
  - (d) Review, annually, the position descriptions for the Chair of the Board and the Chair of each committee of the Board and recommend to the Board such amendments to those position descriptions as the Committee believes are necessary or desirable.
  - (e) Assess, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual directors, including making recommendations where appropriate that a sitting director be removed or not re-appointed.
  - (f) Review, on a periodic basis, the Code, recommend to the Board any changes thereto as considered appropriate from time to time, ensure that management has established a system to monitor compliance with the Code, and review management's monitoring of the Corporation's compliance with the Code.
  - (g) Establish a process for direct communications with shareholders and other stakeholders, including through the Corporation's Whistleblower Policy.
  - (h) Develop a process to address any conflict of interest and to periodically review such process. This process should be particularly sensitive to conflicts arising from any director's obligations to any entity which may directly or through ownership, governance or contract have obligations to competitors, service providers, customers, or employers of people with the skills of the Corporation's staff.
  - (i) Coordinate orientation for new directors and oversee continuing education program for all directors.
- (3) *Compensation of the Board of Directors*
- (a) Review and recommend to the Board the compensation of the Board members, including annual retainer, meeting fees, stock-based compensation and other benefits conferred upon the Board members. The Committee should pay particular attention to independent review and competitiveness relative to the Corporation's peers with regard to this matter.

**(4) Reporting Process**

- (a) Review and submit to the Board, as a whole, recommendations concerning corporate governance. Such reports may be oral or in writing. Unless such matters are delegated specifically to the Committee, the Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will then have the authority to instruct management to implement the Board's directives.
- (b) Review with the Board the Committee's judgment as to the quality of the Corporation's governance and suggest changes to the Corporation's operating governance guidelines as determined appropriate.

**(5) Nominating Role**

- (a) As necessary or appropriate, establish qualifications for directors and procedures for identifying possible nominees who meet these criteria. In so doing, the Committee should consider desired competencies, backgrounds and skills and the appropriate size of the Board.
- (b) Consider, in recommending to the Board suitable candidates to be nominated for election as directors at the next annual meeting of shareholders of the Corporation:
  - (i) the competencies and skills considered necessary for the Board, as a whole, to possess;
  - (ii) the competencies and skills of the existing members of the Board;
  - (iii) the needs of the Board and the competencies and skills 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.

**(6) Share Ownership Policies**

- (a) Periodically review the policy on mandatory share ownership for directors of the Corporation and, in the Committee's discretion, recommend any changes to the Board for consideration.
- (b) Monitor the Board's compliance with the share ownership policy.