



## MANDATE OF THE BOARD OF DIRECTORS

### GENERAL

The Board of Directors (the "**Board**") of Gear Energy Ltd. (the "**Corporation**" or "**Gear**") 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 Gear. In general terms, the Board will:

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

### SPECIFIC

The Board will also have the following responsibilities:

#### *Executive Team Responsibility*

1. 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;
2. In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities;
3. Establish processes as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management;
4. Establish limits of authority delegated to management;

#### *Operational Effectiveness and Financial Reporting*

5. Annual review and adoption of a strategic planning process and approval of Gear's strategic plan, which takes into account, among other things, the opportunities and risks of the business;
6. Establish or cause to be established systems to identify the principal risks to Gear and that the best practical procedures are in place to monitor and mitigate the risks;

7. Consider or cause to be considered the implications of risk associated with Gear's compensation policies and practices;
8. Endeavour to establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters;
9. Establish or cause to be established an adequate system of internal control and management information systems;
10. Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding Gear's financial and other disclosure;
11. Review and approve Gear's financial statements and oversee Gear's compliance with applicable audit, accounting and reporting requirements;
12. Approve annual operating and capital budgets;
13. Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets;
14. Review operating and financial performance results relative to established strategy, budgets and objectives;

***Environmental, Health and Safety***

15. 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;
16. Review the Corporation's performance with all applicable laws and regulations with respect to environment health and safety;
17. 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;
18. Review any emerging trends, issues and regulations related to environment, health and safety that are relevant to the Corporation;

***Integrity/Corporate Conduct***

19. 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 public disclosure, and to facilitate feedback from stakeholders;
20. 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;
21. 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 Gear;

***Board Process/Effectiveness***

22. Endeavour to 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;
23. Engage in the process of determining Board member qualifications with the Corporate Governance Committee including ensuring that a majority of directors, including the Chair of the Board, 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 required under applicable securities rules and requirements;
24. Approve the nomination of directors;
25. Provide or cause to be provided a comprehensive orientation to each new director;
26. Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management;
27. Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members;
28. Establish committees and approve their respective mandates and the limits of authority delegated to each committee;
29. 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; and
30. 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 Gear's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which Gear operates, or is contemplating potential operations.

Independent directors shall meet regularly, and in no case less frequently than quarterly, 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 Gear, the Chair of the Board will act as a liaison between stakeholders of Gear and the Board (including independent members of the Board).

### **STANDARDS OF LIABILITY**

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board. The Board may adopt additional policies and procedures as it deems necessary from time to time to fulfill its responsibilities.

November 3, 2021